

# DAILY REPORT

*China*

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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

## Sino-Japanese Meeting

OW291022 Beijing XINHUA in English 0954 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) -- The sixth round of regular consultations between the authorities in charge of foreign affairs of China and Japan, respectively, will be held in Beijing February 3 and 4, a Chinese Foreign Ministry spokesman announced at a weekly news briefing here today. During the consultations, he said, Chinese Vice-Minister of Foreign Affairs Liu Shuqing and Japanese Vice-Minister of Foreign Affairs Yamai Shinichi will exchange views on bilateral relations and international issues of mutual concern.

## Li Xiannian To Visit 5 Countries

OW290908 Beijing XINHUA in English 0859 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) -- Chinese President Li Xiannian and his wife will pay a state visit to Bangladesh, Sri Lanka, Egypt, Somalia and Madagascar beginning from the first half of March. This was announced by a Foreign Ministry spokesman at a weekly news briefing here this afternoon. President Li will be guest of the presidents of these five countries, the spokesman said.

## Indochinese Communique

OW291016 Beijing XINHUA in English 0956 GMT 29 Jan 86

["China Says Vietnam Is Still Playing Tricks" — XINHUA headline]

[Text] Beijing, January 29 (XINHUA) — The recent communique issued by the "conference of foreign ministers of Vietnam, Laos and the Heng Samrin regime" was condemned here today as being a Vietnamese political and diplomatic trick.

A Chinese Foreign Ministry official told a press conference here that the communique, concocted by the Vietnamese authorities, was nothing new. It was merely another version of the remarks made by the Vietnamese minister without portfolio attached to the Ministry of Foreign Affairs, Vo Dong Giang, not long ago. This showed that the Vietnamese authorities had no intention of changing their policy of occupying Kampuchea. The official said it was known to all that the heart of the Kampuchean problem lay in Vietnam's invasion of that country. All other issues stemmed from that. Therefore, he said, the key to the solution lay in the termination of the Vietnamese invasion and occupation of Kampuchea, and the immediate withdrawal of all Vietnamese troops from the country. Vietnam had evaded this central issue by proposing a so-called solution through internal international negotiations, in an attempt to absolve itself from responsibility for the invasion and to seek recognition of the puppet regime of Kampuchea from the international community.

## Offers Condolences on Shuttle

OW291332 Beijing XINHUA in English 1328 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) — A Chinese Foreign Ministry spokesman today expressed profound condolences on the explosion of the U.S. space shuttle, the "Challenger", and the death of the seven astronauts on board. Speaking at the weekly press briefing here this afternoon, the spokesman said Chinese President Li Xiannian sent a message of condolences to U.S. President Ronald Reagan in this regard.

TRADE WITH USSR, EASTERN EUROPE TO BE PROMOTED

HK271550 Beijing GUOJI SHANGBAO in Chinese 16 Jan 86 p 1

[Report by Li Changshou: "China to Promote Trade With the USSR and East European During Seventh 5-Year Plan Period"]

[Text] The volume of trade between China and the Soviet Union as well as the Eastern European countries will be increased substantially during the period of the Seventh 5-Year Plan as compared with that in the Sixth 5-Year Plan period.

Since the beginning of the 1980's, trade between China and the Soviet Union and other Eastern European countries has developed every year. The total volume of trade concluded according to agreements and supplementary agreements exceeded 10 billion Swiss Francs in 1985. So far China has signed 1986-1990 long-term trade agreements with all the above countries. Readjustments and supplements to these trade agreements regarding certain commodities may be made at annual trade talks in the coming years and greater development in trade can be expected.

As far as export trade is concerned, apart from such traditional export items as light industrial products, textiles, local products, grain, oil, foodstuffs, mineral products, and chemical industrial products, China's electromechanical products will also be exported to the Soviet and Eastern European markets. As far as electronic products are concerned, Chinese color television sets, their component parts, receiver-recorders, and other electronic products will be exported to some Eastern European countries. Meanwhile, the exports to these countries of machine tools, measuring tools, cutting tools, handwork tools, small-sized agricultural machines, telecommunications equipment, and other mechanical products will also be expanded. With regard to the import trade, apart from general mechanical products, rolled steel, nonferrous metals, and chemical industrial products, China will also import some complete power generating units, coal mining complex equipment, and so on. In addition, China will also introduce technical transformation in some old plants in cooperation with the above-mentioned countries.

USSR, YAR DEPUTY PREMIERS DISCUSS PDRY SITUATION

UN290648 Beijing XINHUA in English 0631 GMT 29 Jan 86

[Text] Moscow, January 28 (XINHUA) -- The Soviet Union and the Yemen Arab Republic agreed today that the situation in the People's Democratic Republic of Yemen should return to normal as soon as possible and that any interference in its internal affairs is inadmissible.

According to a TASS report, the call by the two countries was made during a meeting here between Soviet First Deputy Premier Geydar A. Aliyev and visiting Arab Yemen Deputy Premier Muhammad Sa'id al-'Attar who arrived here yesterday to attend the first session of the Bilateral Economic and Technical Cooperation Commission. During the meeting Al-'Attar presented a letter from Arab Yemen President 'Ali 'Abdallah Salih to Soviet leader Mikhail Gorbachev. Details of the letter have not been disclosed. Observers here believe the letter may contain details of the situation in Democratic Yemen.

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PRC INTERNATIONAL AFFAIRS  
UNITED STATES

B 1

REPORTAGE ON EXPLOSION OF SHUTTLE 'CHALLENGER'

Li Xiannian Sends Condolences

OW290814 Beijing XINHUA in English 0801 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) -- Chinese President Li Xiannian sent a message today to U.S. President Ronald Reagan, expressing his "deepest sympathy" over Tuesday's explosion of the space shuttle Challenger, which killed a woman teacher and all the crew members.

President Li said he was "shocked to learn the sad news of the tragic death" of the seven people aboard the space shuttle. "I wish to express, on behalf of the Chinese Government and people, our deepest sympathy and condolences to the U.S. Government and people, and our heartfelt solicitude to the bereaved families," said Li.

PRC Embassy Message

HK290712 Beijing ZHONGGUO XINWEN SHE in Chinese 0315 GMT 29 Jan 86

[Chinese Embassy in the United States Sends a Message to the White House on the U.S. Space Shuttle Crash" -- ZHONGGUO XINWEN SHE headline]

[Text] Washington, 28 Jan (ZHONGGUO XINWEN SHE) -- The Chinese Embassy in the United States sent a message to the White House this afternoon (28 January) on the crash of U.S. space shuttle "Challenger," expressing its profound sympathies and condolences to the U.S. Government and the family members of the crew killed.

The message says: We were shocked to learn the sad news that the space shuttle "Challenger" had exploded, killing a crew of seven. This is a tremendous loss to the United States and the American people. The PRC Embassy in the United States hereby expresses its profound sympathies and condolences to the U.S. Government and the family members of the seven crew members killed in the accident.

The U.S. space shuttle "Challenger" exploded over the Atlantic at 1139 U.S. Eastern Standard Time today, only 1 and 1/2 minutes after it was launched from the Kennedy Space Center at Cape Canaveral. The seven astronauts on board the spacecraft, including a schoolteacher named Sharon Christa McAuliffe, were killed in the blast. This is the most serious spaceflight accident since the Apollo ground test disaster on 27 January 1967 in which three people were killed.

After the unfortunate accident happened, the three major U.S. television stations (ABC, NBC, and CBS) cancelled their scheduled programs. They repeatedly broadcast video coverage of the explosion of the "Challenger" and reported the biographical notes on the astronauts killed and the reactions of people from all walks of life on this sad accident.

Reagan Mourns Loss

OW290128 Beijing XINHUA in English 0117 GMT 29 Jan 86

[Text] Washington, January 28 (XINHUA) -- President Ronald Reagan has cancelled his State of the Union Address scheduled this evening and postponed it till next Tuesday because of the explosion of the space shuttle Challenger which killed the crew of seven on board.

Reagan made a nationally televised speech this afternoon to mourn the death of the seven astronauts, calling them "pioneers" of the U.S. space program. He said today's tragedy, the worst in U.S. space exploration history, [is] a "national loss." However, the U.S. President said the future "belongs to the brave" and pledged that the United States will continue its experiments in space and will continue its space shuttle flights with more scientists and teachers aboard.

XINHUA 'Wrap-Up'

OW290850 Beijing XINHUA in English 0826 GMT 29 Jan 86

[**"Wrap-up: Teacher, Six Crew Members Die in Challenger Tragedy" -- XINHUA headline]**

[Text] Beijing, January 29 (XINHUA) -- As 1,200 horrified students at the Concord High School in New Hampshire watched one of their teachers, Christa McAuliffe, hurtle into the sky aboard the televised liftoff of the space shuttle Challenger Tuesday morning, the giant U.S. spacecraft exploded killing McAuliffe and six crew members. According to press reports reaching here from the United States, less than two minutes after takeoff, crowds watching at the Kennedy Space Center in Florida, witnessed a huge ball of fire appear in the blue sky over the launch pad. People in the crowd, which included members of Christa McAuliffe's family, were stunned into silence. One woman began crying, "It's not there, it's just not out there."

The disaster marks the first time in the history of U.S. space exploration that a manned U.S. spacecraft has exploded on takeoff and is the worst accident in the 25-year history of manned space exploration.

Along with McAuliffe, the first woman civilian to be included on a U.S. space mission, the six other crew members included three trained pilots and an expert on laser technology. McAuliffe, 37, mother of two children, was chosen from among 11,146 teachers who applied in NASA's first private-citizen-in-space competition. She became the first woman civilian to be included in a U.S. space mission. Having undergone 120 hours of training, McAuliffe planned to give two 15-minute lessons aboard the shuttle televised to millions of school children to increase student interest in science and technology.

The commander of the flight was Francis Scobee, 46, who was making his second space shuttle mission. After earning a degree from the University of Arizona, he was trained as a jet pilot in Air Force. Scobee was selected as an astronaut in 1979 and made his first space flight in 1984. Ronald McNair, 36, was an expert on lasers, holder of a Ph.D from the Massachusetts Institute of Technology. He was chosen by NASA in 1979 and was also on a space flight mission in 1984. It was the first space flight for Challenger's pilot, Navy Commander Michael Smith, 40. He held a master's degree from the U.S. Navy Post-graduate School. The other woman on the flight was astronaut Judy Resnik, 36 and unmarried. She received a doctorate in electrical engineering from the University of Maryland. During her first space shuttle flight in 1984, Resnik used a robot arm to deliberately break away a chunk of ice built on the side of the space shuttle Discovery.

Air Force Lt. Col. Ellison S. Onizuka, 39, was recruited by NASA in 1978. He had earned two degrees from the University of Colorado. He was crew member on a secret Department of Defense space shuttle last January, the doomed flight was to have been his second mission. Crewman Gregory Jarvis was a 41-year-old aircraft engineer. He was a graduate of the State University of New York and the Northeastern University in Boston. His task on the mission was to conduct tests on the effects of weightlessness on fluid carried in tanks.

In Washington, no sooner had President Ronald Reagan heard of the news than he left a meeting with senior aides and hurried to watch in "stunned silence" as television networks replayed the explosion, which occurred at 11:40 a.m. EST.

Several aircraft and Navy vessels rushed to where debris from the space craft had fallen into the sea some 14 kilometers down range from the launch site. After ships and helicopters spent several hours searching the Atlantic off Cape Canaveral, Jesse Moore, who is in charge of manned space flights, told a press conference the crew had "practically no chance of survival." According to Moore, the U.S. National Aeronautics and Space Administration (NASA) refused to speculate about the possible causes of the disaster.

An earlier flight this month by the 108-ton spaceship Columbia was dubbed a "hard-luck" mission by observers after setting a record of seven delays in launching and landing because of bad weather and mechanical malfunctions. The observers predicted that as a result of those problems future shuttle flights might be delayed and this year's planned schedule of 15 space flights might have to be scrapped. Challenger's last flight was postponed twice before Tuesday's fatal launch took place. President Reagan, who decided to cancel his State of the Union speech scheduled for Tuesday night, said that there will be no more manned space missions until the cause of the disaster is established.

#### LI PENG MEETS U.S. BUSINESSMEN 28 JANUARY

OW281559 Beijing XINHUA in English 1506 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- Vice-Premier Li Peng met two groups of American visitors on separate occasions here this afternoon. One is a delegation from the U.S. Electronic Data Systems Corporation led by its President Mort Meyerson, and the other is Jack Murphy, chairman of the board and president of the U.S. Dresser Industrial Inc., and his party.

While meeting the U.S. Electronic Data Systems Corporation delegation, the biggest computer information network company in U.S., Li Peng was given a briefing by Meyerson on the setting up of the network and application of computers. Since its arrival in Beijing on January 23, the delegation has already discussed with Chinese departments concerned on the cooperation in the improvement of the use and application of computers and the establishment of an information processing center in China.

Later, when he met Murphy, Li exchanged views with him on the training of Chinese enterprises management personnel. Murphy is here to seek economic and technical cooperation with China. The Dresser Industrial Inc. mainly produces petroleum, chemical and mining machines. Present at the meeting was Richard Hung-chi Feng, advisor to the corporation and son of Feng Yuxian, the late Chinese patriotic general of the Kuomintang.

SHIJIE ZHISHI ON ATTITUDE TOWARD AFGHAN ISSUE

HK271422 Beijing SHIJIE ZHISHI in Chinese No 2, 16 Jan 86 p 11

[Article by Wu Zu: "Show sincerity! -- Commenting on the Soviet Attitude Toward the Political Settlement of the Afghan Issue" -- capitalized passages published in boldface]

[Text] From 16 to 20 December last year, the foreign minister of Pakistan held indirect talks in Geneva with his counterpart of the Karmal regime of Afghanistan. Given the Soviet refusal to withdraw their troops from Afghanistan, the talks were again deadlocked. Both sides agreed to hold indirect talks again in February or March of this year. The last talks represented the sixth round of indirect talks held between the foreign ministers of Pakistan and the Karmal regime since 1982 under sponsorship of the UN secretary general. In the three preceding rounds of indirect talks, the Soviet Union assumed a tough attitude and insisted that a troop withdrawal was an affair between the Soviet Union and Afghanistan, in which no one had the right to intervene. In the three rounds of indirect talks since last year, the Soviet Union indicated that the troop withdrawal problem could be discussed. But both sides reached fundamental agreement only on three areas -- noninterference by each other, the seeking of an international guarantee, and the repatriation of refugees.

In mid-November last year, when the U.S. and Soviet heads of state met in Geneva, the Soviet Union assumed a conciliatory attitude and kept saying in a publicity campaign that it favored a political settlement of the Afghan issue, was unwilling to post troops in Afghanistan, and wanted to give priority consideration to the problem of withdrawing troops from Afghanistan. Such things as its willingness to achieve a political settlement under the auspices of the UN were also stated. These gestures on the part of the Soviet Union gave rise to widespread speculation and controversy in the international community. It was even held in some quarters that there had been a change in the Soviet attitude toward the Afghan issue. But facts show that this has only been a more subtle approach than before, with no change in its fundamental stand.

**FIRST, ON THE AFGHAN BATTLEFIELD, THE SOVIET UNION STEPPED UP ITS PACE OF MILITARY SUPPRESSION LAST YEAR.** To wipe out the effective strength of the guerrilla force, wreck and destroy its base of operations and cut off its transportation links with the outside world, the Soviet Army and the Karmal Army since early last year have launched four major offensives against guerrilla bases of Herat, Panjsher, Konar and Hoziyah. The number of offensives, the scale of attacks, and the ruthlessness of the means of suppression have rarely been seen since the start of the Soviet invasion of Afghanistan. In fighting, the Soviet Union has changed its practice of encircling guerrilla forces with the Karmal Army in the van, and Soviet troops now basically take the lead. It has also changed its previous strategy of running away after fighting. Instead, it has posted troops in important occupied areas preventing the resumption of guerrilla activities. To blockade border areas, the Soviet Army, in a break with normal practice has directly sent heavy forces to areas not far from the Afghanistan-Pakistan border. They have tried to annihilate guerrilla forces in encirclements, sometimes even crossing into Pakistan in pursuit.

In addition, the Soviet regime in Afghanistan has proposed autonomy for tribal areas and the convening of a meeting of border tribal areas and the tribes of the area of Hazarah. It has tried to win over tribal heads with heavy bribes, in order to make tribesmen cut off supplies and aid for guerrilla forces. This is in coordination with the Karmal regime's effort to wipe out the guerrillas.

Given the ruthless suppression and efforts to bribe and appease tribal areas, the Salang Highway leading from the capital of Kabul to the Soviet-Afghan border has basically been a smooth operation. The guerrilla base in Barikowt, Konar Province has been occupied, with its access roads blocked. All this has made things more difficult for the guerrilla forces. But the Soviet regime in Afghanistan has still not attained its goal. The guerrilla forces still have the support of the Afghan people. Last May, the seven groups representing the Afghan guerrillas overcame their differences and formed a new seven-group coalition (the Islamic Unity of the Mujahedin of Afghanistan). They fought anti-encirclement battles together, avoiding direct attack from the enemy. They have basically maintained their effective strength and have dealt heavy blows to the enemy.

SECOND, THE SOVIET UNION HAS INCREASED PRESSURE ON PAKISTAN. From early last year to the end of October, the Soviet Army in Afghanistan launched more than 200 attacks in Pakistan's airspace with bombs and gunfire, twice as many as in 1984.

THIRD, IN THE POLITICAL SETTLEMENT OF THE AFGHAN ISSUE, THE SOVIET UNION HAS SHOWN SOME FLEXIBILITY IN ITS APPROACH. BUT NO SOLUTION WAS OBTAINED IN THE THREE ROUNDS OF THE INDIRECT TALKS BETWEEN PAKISTAN AND AFGHANISTAN LAST YEAR, WHERE THE KEY PROBLEM OF TROOP WITHDRAWALS WAS CONCERNED. The Soviet Union still insists on direct talks between Afghanistan and Pakistan, thus bringing talks to a deadlock.

Then, why should the Soviet Union have again assumed a positive attitude toward the political settlement of the Afghan issue? According to an analysis by the foreign press, its main purpose is to relieve the pressure from various quarters, improve its image in the Third World, abate verbal attacks against the Soviet Union in the international community, and switch from a passive to a positive position. Meanwhile, it is attempting to evade responsibility for its failure to withdraw its troops. It wants to prod Pakistan into recognizing the Karmal regime and consolidate its occupation of Afghanistan.

The Soviet Union has found itself in a tight spot on both the domestic and international fronts where the Afghan issue is concerned. Last November, the 40th UN General Assembly approved, by an overwhelming 122 votes, a resolution calling for the immediate withdrawal of Soviet troops. The Soviet Union is quite isolated internationally. On the domestic front, the Soviet Union has shouldered a burden. Of its 120,000 troops stationed in Afghanistan in its 6 years of aggression, there have been more than 20,000 casualties. Annual spending of over \$2 billion has been incurred. But only 30 percent of the territory of Afghanistan with 40 percent of its population has been brought under control. There has been an outflow of more than 4 million refugees from Afghanistan. The morale of the Soviet troops is very low. In the Soviet Union, words and acts suggestive of dissatisfaction have also been noted. Analysts hold that the only way for the Soviet Union to pull itself out of its current plight is the immediate withdrawal of its troops. Whoever started the trouble should end it. The Soviet Union should show sincerity about the political settlement of the Afghan issue and avoid dragging its feet.

HU YAOBANG TALKS WITH PRESIDENT OF KYODO

## Sino-Japanese Ties

OW291207 Beijing XINHUA in English 1153 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) -- General Secretary Hu Yaobang today praised Japanese Prime Minister Yasuhiro Nakasone and his Cabinet members for restraining from paying homage to Yasukuni Jinja shrine last autumn. Hu made the comment at a meeting with Shinji Sakai, president of Japan's KYODO NEWS SERVICE, at Zhongnanhai here this afternoon.

"China sets great store by its relations with Japan. To cherish the peaceful and friendly relations between the two countries, which come by not easily, the two sides should respect each other's national sentiments," he said. He said Chinese leaders hope to see stable development of trade between the two countries. The Chinese side will work to improve the quality of its export commodities as well as its trade system. "We also wish the Japanese side would make efforts to reduce substantially the imbalance in Sino-Japanese trade," he added. During the 70-minute meeting, Hu answered questions about Sino-Soviet relations, the relations between Japan and the Soviet Union, the situation in the Korean peninsula and China's political situation. Present on the occasion was Mo Qing, director-general of XINHUA NEWS AGENCY.

## USSR Obstacles to Relations

OW291300 Beijing XINHUA in English 1243 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) -- Chinese Communist Party leader Hu Yaobang today called on the Soviet Union to make substantive efforts to remove the three major obstacles to the development of Sino-Soviet relations. The three obstacles are the stationing of large Soviet troops along the Sino-Mongolian and Sino-Soviet border, Soviet invasion of Afghanistan and Soviet support of Vietnamese invasion of Kampuchea. Hu pointed out, it is China's sincere hope that the Soviet Union makes substantive efforts to remove the three obstacles hindering the normalization of relations between China and the Soviet Union, thereby pushing forward bilateral relations.

Hu made these remarks at a meeting with Shinji Sakai, president of KYODO NEWS SERVICE of Japan, here this afternoon. On the exchange of visit between Chinese and Soviet foreign ministers, Hu said: "It depends on the development of the situation. It's hard to predict now." Referring to the relations between Japan and the Soviet Union, Hu said China welcomes the recent meeting of Japanese and Soviet foreign ministers, and hopes the two countries will solve their questions left over from history in a fair and reasonable way. "China also hopes that the improvement of Japanese-Soviet relations will contribute to the peace and stability in Northeast Asia," he noted. Hu expressed regrets over the large-scale military exercise staged by the United States and South Korea, which, he said, is "unwise".

Oct Plenum, Deng's Health

OW291206 Beijing XINHUA in English 1201 GMT 29 Jan 86

[Text] Beijing, January 29 (XINHUA) -- The Central Committee of the Chinese Communist Party will meet in October for the sixth plenary session, General Secretary Hu Yaobang announced here today. The October meeting will decide on the agenda for the 12th national party congress scheduled for late September and early October in 1987.

Hu said so at a meeting with Shinji Sakai, president of the Japanese news service, KYODO, here this afternoon. In response to Sakai's question, Hu said Deng Xiaoping is in excellent health. Deng made a speech on combating unhealthy tendencies at the January 17 meeting of the Standing Committee of the Political Bureau, Hu added.

NAKASONE RECEIVES GREETINGS FROM PRC LEADERS

OW281909 Beijing XINHUA in English 1834 GMT 28 Jan 86

[Text] Tokyo, January 28 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone today met Zhang Xiangshan, adviser of the International Liaison Department of the Chinese Communist Party, who is here to attend commemorative activities on the 10th anniversary of Chinese Premier Zhou Enlai's death. During the meeting, the Japanese leader expressed satisfaction with the second session of the Sino-Japanese Committee for Friendship in the 21st Century held in Beijing and Dalian last year. He said the next session of the committee to foster Sino-Japanese friendship will be held in Japan this year.

The two sides described the meeting as cordial and friendly. Zhang coveyed greetings from Chinese leaders Deng Xiaoping, Hu Yaoband and Zhao Ziyang to Nakasone. He also communicated to Nakasone a message from Zhou Enlai's widow Deng Yingchao expressing gratitude to Nakasone for his message commemorating Zhou Enlai's death. Premier Zhou Enlai died in Beijing on January 8, 1976.

DPRK WANTS PENINSULA 'NUCLEAR FREE ZONE'

OW281124 Beijing XINHUA in English 1041 GMT 28 Jan 86

[Text] Pyongyang, January 28 (XINHUA) -- Korea will launch an anti-imperialism, anti-war and anti-nuclear campaign this year in an effort to make the Korean peninsula into a nuclear-free zone, the newspaper DEMOCRATIC KOREA said in an editorial today. To prevent nuclear war is an urgent issue that people all over the world should work on together, the editorial said. The editorial suggested that all people, regardless of their political views, religious beliefs and governmental systems, should support anti-war and anti-nuclear activities, as well as peace efforts.

In a joint statement issued last December, the Workers' Party of Korea and 20 other political parties and social organizations said they hoped the Korean peninsula would be made a nuclear-free zone. The editorial stressed that the United States should respond to the tripartite talks proposed by the North side and withdraw its troops and nuclear weapons from South Korea to prevent the danger of a nuclear war.

COMMENTARY VIEWS INDOCHINESE MINISTERS MEETING

HK281206 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 28 Jan 86 p 6

[Short commentary: "An Old Fraud, a New Trick"]

[Text] The so-called 12th meeting of foreign ministers of the "three Indochinese countries" was held in Vientiane from 23 to 24 January under the manipulation and direction of the Vietnamese authorities. The communique issued by the meeting declared: It is necessary to speed up the "process of dialogue," so that "a political resolution of the Cambodian issue can be reached soon" and "Southeast Asia turned into a peaceful and stable region." However, throughout the communique, we cannot find a shred of sincerity in the seeking of a political solution to the Cambodian issue. They are sticking to the so-called "stand based on five points" and those unreasonable demands that have long been despised. In fact, the Vietnamese authorities have always refused to withdraw all their invasion troops from Cambodia, stubbornly adhering to their stand of aggression against Cambodia, while trying in vain to deceive the world media by the trick of a "process of dialogue" and "political solution."

Of the so-called "three Indochinese countries," one is the arch-criminal which launched and is currently engaging in the war of aggression against Cambodia, and another is the puppet regime propped up by Vietnam. This war evoked by them is exactly the greatest danger to peace in Southeast Asia. But now they chatter about "establishing peace and stability in Southeast Asia" and seeking a "political solution" to the Cambodian issue. This is indeed a gross mockery. One must note that the communique of this meeting of foreign ministers of the "three Indochinese countries" claimed: Cambodia's internal problems must be solved through negotiations between the so-called "People's Republic of Kampuchea," a puppet regime, and the "various Khmer opposition factions and individuals, with the aim of finding a way to realize national reconciliation based on the prerequisite that the Pol Pot clique is excluded," as well as to effect the withdrawal of the Vietnam troops. It is quite obvious that the Vietnamese authorities, prating about a "political solution" and "national reconciliation," want to gain legitimacy for the Cambodian puppet regime by deceiving the world, undermine the unity of the three Democratic Kampuchean factions, disintegrate the Coalition Government of Democratic Kampuchea, and thus keep Cambodia under long-term occupation and control with the Cambodian puppet regime as their agent. What smug calculations by the Vietnamese aggressors!

The Cambodian issue arose from Vietnam's armed invasion of a sovereign state. Therefore, the only solution to the issue is the complete and unconditional withdrawal of the Vietnamese troops, followed by the exercise of the right of self-determination by the Cambodian people free from external intervention. The resolutions on the Cambodian issue adopted by seven UN General Assemblies have represented a strong demand by the world people, namely, the Vietnamese authorities must withdraw their troops from Cambodia. This is the prerequisite for any political solution to the Cambodian issue. Neither the Vietnamese authorities nor their supporters can ever deceive world media by harping about "dialogue" and "political solution" and by evading the crux of the issue.

It must be pointed out that the Vietnamese authorities are actually thinking of a "military solution" while talking about a "political solution" and "dialogue." They continue to deploy troops to launch dry-season offensives again and again, and their plan to withdraw their troops by 1990 is based on their very dream of completely wiping out the Democratic Kampuchean patriotic Armed Forces in 5 years.

The communique of this foreign ministerial meeting of the "three Indochinese countries" also said that they "unswervingly cherish and wish to resume soon the long friendship with the Chinese people." Meanwhile, however, the Vietnamese authorities once again launched an anti-Chinese drive, wantonly attacking China's domestic and foreign policies. The Vietnamese also distributed documents in the United Nations viciously attacking China with venomous slander. Is this the "sincerity" about holding "dialogue" that the Vietnamese authorities are always declaring!

This clumsy farce enacted through the foreign ministerial meeting of the so-called "three Indochinese countries" will only expose once again the evil intentions of the Vietnamese aggressor.

DK Decries as 'Hoax'

OW281238 Beijing XINHUA in English 1109 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- The Coalition Government of Democratic Kampuchea denounced in a statement the meeting of foreign ministers of Vietnam, Laos and the Hanoi-backed Heng Samrin regime as a hoax, radio Democratic Kampuchea reported today. The statement, issued yesterday, said the meeting was another step in getting public backing to legalize Vietnamese occupation of Kampuchea.

The three foreign ministers at their 12th meeting held on January 23 and 24 in Vientiane, the capital of Laos, discussed the Kampuchea issue. A communique issued at the meeting's conclusion, said 1990 is still the time set by Vietnam for withdrawing its troops from Kampuchea. The statement said it is Vietnam's intention to annex Kampuchea to its manipulated "Indochina federation" by every means. In the past seven years, the statement said, the Vietnamese have killed tens of thousands of Kampuchean people with conventional and chemical weapons and by imposing a "famine policy" on the Kampucheans. At the same time, Hanoi has sent 700,000 Vietnamese to settle in Kampuchea. The statement also noted that the United Nations has adopted several resolutions calling for the withdrawal of Vietnamese troops from Kampuchea and to let the Kampuchea solve their own problems. The Coalition Government of Democratic Kampuchea also has repeatedly demanded the Vietnamese withdrawal. But, the Vietnamese authorities have ignored these pleas, the statement added.

DK FORCES INFILCT HEAVY CASUALTIES ON VIETNAMESE

OW281200 Beijing XINHUA in English 1038 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- The Democratic Kampuchea National Army has inflicted hundreds of casualties on Vietnamese troops in attacks on Vietnamese strongholds last week after they liberated Sithor Kandal town in Prey Veng Province, radio Democratic Kampuchea reported today. According to the radio report, on January 21 the National Army attacked a Vietnamese battalion headquarters in Kanchriech District, Prey Veng Province, killing two Vietnamese and wounding some others. The local administration was wiped out in the raid.

On January 23, the Kampuchean resistance forces stormed a Vietnamese office in the Krabau area of the Kamchay district in the same province, the radio said. A week earlier, the National Army raided a camp in the Koh Sautin district, Kampong Cham Province, killing six Vietnamese and destroying four barracks, the radio said.

HUANG HUA SENDS OFF ZIMBABWEAN SENATE LEADER

OW260902 Beijing Domestic Service in Mandarin 1200 GMT 24 Jan 86

[Text] Makombe, president of the Zimbabwean Senate, and his wife left Beijing for home by plane this morning after successfully concluding their friendly visit to China. The distinguished guests were seen off at the airport by Huang Hua, vice chairman of the NPC Standing Committee, and others.

CULTURAL DELEGATION LEAVES FOR AFRICA

OW282031 Beijing XINHUA in English 1510 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- A Chinese Government cultural delegation led by Vice-Minister of Culture Lu Zhixian left here by air this evening on a friendly visit to Gabon, Liberia and Senegal. The delegation will confer with cultural departments of the above-mentioned countries on strengthening bilateral cultural exchanges and cooperation.

LIBYA SEEKS DIRECT TALKS WITH UNITED STATES

OW280726 Beijing XINHUA in English 0655 GMT 28 Jan 86

[Text] Cairo, January 28 (XINHUA) -- Libyan Foreign Minister 'Ali al-Turayki today said that Libya is seeking direct talks with the United States to resolve the current crisis, according to reports from Tripoli. 'Ali al-Turayki told the press that Libya has invited Ronald Reagan's administration to meet with the government of Colonel Mu'ammar al-Qadhafi to prevent an escalation of the current confrontation. "We are in favour of dialogue with any country except Israel," he said.

'Ali al-Turayki expressed approval of Moroccan King Hassan II's offer to mediate between Libya and the U.S. He again denied any Libyan involvement in the terrorist attacks in Rome and Vienna airports at the end of last year, saying "we disapprove of such acts." He warned that if the U.S. Sixth Fleet crossed the territorial limit claimed by Libya on parallel 32.5 in the Gulf of Sidra "it would create a very dangerous situation for which the U.S. would bear full responsibilities." But he added, so far the Sixth Fleet has not crossed the line and "I hope they will not do so." The U.S. and a number of Western countries have refused to recognise Libya's claim to the Gulf of Sidra. The U.S. Sixth Fleet is conducting a week of naval air exercises in the adjacent area. The foreign minister also assured American workers and companies operating in Libya that they would be welcomed to remain if they chose to ignore U.S. Administration's order calling on them to leave the country. There are some 1,500 American oil workers and engineers and dozens of American companies are working in Libya's oil industry. U.S. President Reagan has imposed economic sanctions against Libya for alleged Libya's involvement in the two terrorist attacks. But, most Western European countries have declined to cooperate with the U.S.

PDRY PRIME MINISTER PLEDGES 'NONINTERFERENCE'

OW280820 Beijing XINHUA in English 0753 GMT 28 Jan 86

[Text] Djibouti, January 27 (XINHUA) -- South Yemen's Prime Minister Haydar al-'Attas (?today) pledged to continue a foreign policy of non-interference and to promote ties with the Soviet Union, Ethiopia and other Arab countries. In a television address last night, he praised president Abdallah Salih of Arab Yemen for his "positive stand" on the latest developments in his country and promised to work for better relations with the neighboring Arab state. "We will not change our foreign policy. We will work to improve ties with Ethiopia, Moscow and states in the Arabian Peninsula with whom we have mutual interests," he added. According to informed sources who have just arrived here from Aden, tension is mounting in some provinces and fighting continues between the supporters of 'Ali Nasir Muhammad and those of Al-'Attas.

DENG'S 17 JAN SPEECH RELAYED TO DISCIPLINE MEETING

HK290617 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1100 GMT on 28 January begins its regular evening newscast with a 2.5-minute film clip on the CPC Central Discipline Inspection Commission's 28 January Seventh Plenary Session held in Beijing. The film shows the commission's Second Secretary Wang Heshou addressing the session and "relaying Comrade Deng Xiaoping's speech delivered at a 17 January meeting of the Political Bureau Standing Committee, and Comrade Chen Yun's written instructions on issues about senior cadres using limousines." The 2.5-minute report does not give details of Deng's speech.

The film then shows the Commission's Permanent Secretary Han Guang addressing several hundred people at the plenary session held in an unidentified conference room in Beijing. The following is the full text of the 2.5 minute report:

[Begin recording] [Announcer] According to a report filed by our station reporters (Yan Pingzhou) and (Chen Zhen), the Seventh Plenary Session of the CPC Central Discipline Inspection Commission was held today in Beijing. Central Discipline Inspection Commission Second Secretary Wang Heshou relayed Comrade Deng Xiaoping's speech delivered at a 17 January meeting of the Political Bureau Standing Committee, and Comrade Chen Yun's written instruction on issues about senior cadres using limousines. Central Discipline Inspection Commission Permanent Secretary Han Guang relayed the CPC Central Committee Secretariat's instructions on the Central Discipline Inspection Commission's report, and read out the outline for the report on issues about rectifying party style. He said: The recent meeting of cadres of central organs held by the CPC Central Committee Secretariat called on central organs and leading cadres to set good examples in the course of rectifying party style. The central authorities have showed the greatest determination in improving party style fundamentally, and have adopted effective measures. This session of the Central Discipline Inspection Commission proposes to implement further the spirit of the National Conference of Party Delegates and the spirit of the meeting of cadres of central organs, and to focus on discussing ways of checking unhealthy trends and rectifying party style.

The session established the Central Discipline Inspection Commission's major tasks for the year: This year, it is imperative to concentrate forces on relentlessly checking several unhealthy trends; it is imperative to crack down severely on speculation, swindling, smuggling, traffic in smuggled goods, bribery, accepting bribes, and other illegal activities and criminal offenses in the economic field; and it is imperative to successfully conduct education in party style for party members and to rigorously strengthen discipline.

The session noted: To fulfill the tasks for this year, it is imperative to promote a continuous improvement in our work. The central authorities, party committees at all levels, and party organizations of all departments must all pay special attention to problems concerning party style so as to bring about a situation in which the whole party pays special attention to party style. In checking unhealthy trends, it is imperative to do well in stressing major, important and typical cases and focal points. With regard to those who shut their eyes to serious problems that harm socialist construction, it is imperative to investigate and affix the responsibility of relevant party organizations for such problems. We must conduct criticism and self-criticism, perfect regular activities of party organizations, strengthen ties among political, legal, organizational, and propaganda departments, and continuously enhance the quality of discipline inspection cadres. During the session, comrades attending the session will discuss and examine three documents, namely, the outline for the report on issues about rectifying party style, a draft resolution on certain issues concerning the rectification of party members' ideology and style of work under the new circumstances, and a draft circular on strengthening discipline.

Responsible comrades of discipline inspection departments from some provinces, municipalities, autonomous regions, central and state organs, and the Military Commission attended the session as nonvoting delegates. [end recording]

'SHOWY DISPLAYS' BY LEADING CADRES CRITICIZED

HK281144 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 28 Jan 86 p 2

[Commentator's article: "The Masses Are Watching Us"]

[Text] For the wedding of his son, a leading cadre at the bureau level in a certain place feasted with his guests around 76 tables, used more than a dozen cars, and received cash gifts exceeding 10,000 yuan. And a restaurant had to stop doing business with the public on the day.

An assistant manager of a company in a municipality of a province paraded his wealth for the funeral arrangements of his mother and also received a large number of funeral gifts. The funeral procession covered scores of kilometers with eight cars and a large funeral band. All the spectators looked askance at it.

The deputy head of a county died of disease. His funeral arrangements lasted 4 days and cost 4,340 yuan.

The above are complaints made by the masses in a written form to the central departments concerned, exposing unsound practices carried out by some leading cadres. These cadres went in for showy displays for the funerals or marriages of their relatives or their leaders; they even used them as a pretext to receive gifts. All this has created a very bad impression among the masses. Some people sneered at it as "ill-gotten wealth," others sighed with feeling and said it was "bitterly disappointing."

Arranging funerals or weddings is in fact a personal affair. The government only advocates cremation and encourages people to make funeral arrangements simple, and it does not interfere in these personal affairs. As the people's income goes up, when some families prepare for the wedding of their sons or daughters, they want to invite their relatives and friends to a small feast. This is quite natural and normal in human relationships. However, our party cadres, especially some leading cadres, invite large numbers of people to a great feast. They want to give themselves airs, but actually they defame our party. They fill their pockets with large amount of cash gifts, but they damage the image of our party. For this reason, this is not a personal affair, but an important matter concerning party style.

Some comrades say that they have worked in a place for decades; they certainly know a large number of people around them. When they make funeral arrangements or prepare for weddings, they would have no excuse if they failed to make these ceremonies presentable, and they would have no excuse for refusing gifts from friends. Some comrades even describe it as saying "courtesy demands reciprocity" and allege that "their relations with the masses are good." This is really gross deception. What do you mean "courtesy demands reciprocity?" People present gifts to your faces but shout abuse behind your backs. Do you really not hear this abuse? If people say this is in fact blackmail in a disguised form, can you argue with them? What do you mean "your relations with the masses are good?" If you are not "high-ranking officials," can you have such good "relations?" If we establish relations with the masses in this way, can we really improve party conduct and make a success of the four modernizations?

The broad masses of the people are very discontented with such malpractices by a few cadres, and they are submitting written statements to the central authorities to expose these unhealthy tendencies. This shows that they trust our party and they assume the rights conferred on them by the state Constitution. In improving party conduct, we launch no campaigns and want no one to make a self-criticism so as to pass the test, but we cannot refuse supervision from the masses. The masses are watching us. If anyone conducts unsound practices or violates discipline and the law, can he escape the observation of the masses?

At a meeting of the staff of departments directly under the party Central Committee and the State Council, Comrade Hu Yaobang, on behalf of the party Central Committee, solemnly declared: According to our party's rules and regulations, all honest and fair-minded comrades inside and outside the party have the right to accurately report to the party Central Committee any serious dereliction of duty or violation of laws and discipline conducted by our party organizations at any level. This is a "solemn declaration" from the party Central Committee, not chitchat. It shows the firm determination of our party to rectify the party's style of work. It also tells us: The road from the masses to the party Central Committee is accessible.

#### PUNISHING CRIMINALS THROUGH LEGAL MEANS URGED

HK271056 Beijing ZHONGGUO FAZHI BAO in Chinese 20 Jan 86 p 1

[Commentator's article: "Those Who Commit Crimes Should Be Punished Under the Law"]

[Text] Recently, some major cases have been handled in various localities, and some powerful people in high official posts have been punished according to the law, as they were involved in these cases. This conforms with the will of the party and the people and should be affirmed. Facts have clearly shown us that the problems of some party members and cadres have become serious. Their malpractices should not be regarded as mistakes that they committed due to the lack of experience in work or the lack of a correct understanding of the new situation. These people did not accidentally take a wrong step in the reform explorations; rather, they have been deeply corrupted by decadent ideologies and have abandoned communist ideals. They have even sold their souls, disregarded the interests of the state and the people, and acted beyond the limits of the law. They are no longer the people's public servants; instead, they have degenerated into guilty people condemned by the public. Their perverse acts constitute a main source of unhealthy tendencies in society and a crucial reason why the fundamental turn for the better in our party style could not be implemented in the past. If their corrupt practices were allowed to develop unchecked, our cause of economic reforms, our socialist modernization program, and our socialist democracy and legal system would fail.

Comrade Deng Xiaoping recently pointed out in unequivocal terms that the correction of unhealthy tendencies "should mainly rely on two means -- the means of education and the means of enforcing the law." Most cadres in our party are good or comparatively good cadres. In the new historical period, how should they further improve party style and set a good example for people throughout the country? The basic way to achieve this purpose is to require them to intensify their study of Marxist theory and receive further education. However, for those corrupt cadres whose problems are so serious that their cases have fallen into another category, they have gone so far as to reject any criticism and education; they are no longer redeemable. So legal action must be taken against them. Those who committed crimes must be punished according to the law! This must not be taken lightly, and these people must not be forgiven under the pretext of "just this time." No person is allowed to "turn serious problems into minor ones and turn minor problems into nothing." In the handling of these cases, the criminals should be brought to court for trial, and inner-party disciplinary or administrative disciplinary measures should not be substituted for legal procedures.

We should severely punish those party cadres who have used their power to seek private gain, violating criminal law to a serious extent and causing serious consequences. We should do this just as we executed Liu Qingshan and Zhang Zishan in the early 1950's. Without taking such severe action, we will not be able to rectify our party style, to warn others against following these bad examples, to educate more people, and to arouse the enthusiasm of the masses for our construction.

The general public is glad to see that we take legal action to punish the criminal offenders inside our party. This shows we are correct in taking these actions. But we must point out here that some lawbreakers have not been punished as they deserve. There are many reasons: For example, a considerable number of people, especially some leaders, have not established in their minds the concept of acting according to the law. They are used to substituting inner-party disciplinary measures or administrative measures for legal procedures. In some localities, the handling of criminal cases involving powerful or influential people is obstructed by the authorities concerned or by various social "connections." In addition, some leading cadres indiscriminately apply the principle of "being strict in ideological education and being lenient in disciplinary and legal measures" to all cases, and some people have a prejudiced idea that party cadres will merely commit mistakes and will never commit crimes. Now the party central leadership has explicitly pointed out that law and discipline must be strictly enforced and the enforcement of the law and the conduct of ideological education should be simultaneously carried out in the course of setting aright the party style. To achieve this purpose, our comrades in the judicial departments should redouble their efforts.

Of course, when we emphasize the necessity of punishing criminal offenders according to the law, we must base all legal actions on facts, and all legal decisions must be in line with the law. We never mean that we will start arresting and bringing people to court indiscriminately. Through many years of efforts in building the legal system, we have now enacted a series of laws, regulations, and legal procedures. They are effective weapons for us to protect the people and to punish criminal offenders. All actions must conform with the law; all laws must be enforced strictly; and all lawbreakers must be punished. Only thus can we effectively crack down on criminal activities and can we deal blows at criminals accurately, effectively, and severely. Otherwise, we will let off evildoers, wrong good people, and do harm to our cause. Our comrades in the judicial departments must pay close attention to this point.

#### LIAOWANG DETAILS CRIME, PUNISHMENT EXAMPLES

HK271316 Beijing ZHONGGUO XINWEN SHE in Chinese 1230 GMT 26 Jan 86

[Text] Beijing, 26 Jan (ZHONGGUO XINWEN SHE) -- Some cadres have made contributions and are competent in their work, but if their problems are serious, we should not be softhearted toward them and should not condone them under the pretext of "just this time." This practice will in fact abet the corruption of cadres. Now we should act like Zhuge Liang who "executed his beloved General Ma Su in tears," and should resolutely investigate and punish those people who should be punished according to the law and facts without being influenced by people's entreaties for the lawbreakers.

This is the viewpoint of a signed article carried by LIAOWANG weekly in its issue No 4, published tomorrow.

Since the CPC National Conference of Party Delegates in September last year, a number of major cases have been handled in the course of rectifying party style:

-- The Beijing Municipal CPC Committee and the party's municipal Discipline Inspection Commission have seriously handled five bureau-level cadres committing economic crimes and violating law and discipline.

Among these people are Yin Zhinong, former deputy manager of the Shoudu Iron and Steel Company, expelled from the party and sentenced to 6 years' imprisonment for gaining 8,000 yuan by illegally reselling steel products; Ma Xueliang, former party committee secretary and director of the Beijing Municipal Public Utilities Bureau, dismissed from all official posts inside and outside the party, expelled from the party, and arrested for being derelict in his duties and taking more than 3,5000 yuan in bribes and conniving in illegal economic activities of the municipal gas company; and Wu Yutian, former party committee member and deputy general manager of the municipal foreign trade general company, dismissed from all official posts inside and outside the party for taking bribes from Hong Kong businessmen and causing \$110,000 in economic losses to the state.

-- Yu Xicang, former party secretary and manager of the Guangdong Provincial Medicine Company, and some other cadres made use of their functions in handling the export of Chinese herbal medicine to accept such bribes as color TV sets, cameras, and bicycles from Hong Kong businessmen in exchange for giving opportunities for them to gain unfair and illegal profits. Their corrupt practice caused more than HK\$10 million in economic losses to the state. These corrupt cadres have been sentenced to imprisonment for life or for a set term.

— Fujian Province cracked a major speculation and fraud case and Du Guozhen, the principal criminal in this case, was arrested. In this case, 21 party and government cadres took bribes from Du and gave the green light to Du's swindling activities. These cadres have all been punished according to state law and party discipline. They include Liu Ashun, deputy administrator of the Ningde Prefectural People's Government; Hu Liangji, former party secretary of Xiapu County; Wu Jincai, deputy administrator of a suburban district of Fuzhou City; and Zheng Tingcan, director of the law court in Gulou District, Fuzhou City.

The LIAOWANG article says: The problems in party style are related to many aspects in society. The rectification of party style must rely on joint efforts of the whole party. This is particularly true in the handling of major cases. The major cases often involve many departments and units. All relevant departments and units, especially their leading bodies, must lend their active cooperation in order to clearly investigate and properly handle these cases. At present, this point has been noticed by party committees at all levels and in all localities. For example, the central and local party, government, judicial, and discipline inspection departments have joined hands in investigating and handling the case of Du Guozhen in Fujian. The article also says: In recent months, some results have been achieved in the rectification of party style and in the enforcement of party discipline, and some experience has been accumulated in this regard. More and more cadres have strengthened their confidence in effecting a fundamental turn for the better in our party style. They dare to uphold the principles and show no mercy to lawbreaking activities. Many localities and units have adopted effective measures and methods. Because the leading cadres in some localities and units have raised their consciousness and boosted their morale, they now dare to deal with powerful people and settle knotty problems and cases. Those well-built criminal "fortresses" have been destroyed one after another.

#### BAN YUE TAN CITES POLITICAL, SOCIAL ACHIEVEMENTS

OW280133 Beijing XINHUA Domestic Service in Chinese 0845 GMT 26 Jan 86

[Editorial department of BAN YUE TAN: "Reference Materials: The 70 Achievements Since the 3d Plenary Session of the 11th CPC Central Committee"]

[Text] Beijing, 26 Jan (XINHUA) -- 1. Since the crushing of the "gang of four," and especially since the 3d Plenary Session of the 11th CPC Central Committee, we have accomplished the arduous task of setting our guidelines and thinking on the right course and have achieved significant victories in restoring order to actual operations on all fronts, effecting about a great historical change.

2. Ideologically, we have smashed the long-standing highly restrictive bonds of dogmatism and personality cults and reinstated the Marxist ideological line of seeking truth from facts. We have restored the original feature of Mao Zedong Thought, and upheld and developed Mao Zedong Thought under new historical conditions.

3. We have ended long-standing social unrest, and introduced a lively political situation marked by stability and unity. Socialist democracy and law have been gradually improved, equality and unity among all nationalities have been strengthened, and the patriotic united front has been further broadened. The current period is one of best since the founding of the republic.

4. The leading bodies of party and state organs at all levels have been readjusted, reorganized, and consolidated. The restructuring of the party Central Committee and the State Council, as well as of leading organs of various provinces, municipalities, and autonomous regions has been accomplished. Leading organs at all levels have been replenished with a large number of more revolutionary cadres; they are better educated, younger in average age, and professionally more competent. The succession of new cadres in leading bodies at all levels has been greatly accelerated.

5. In 1982, the Fifth Session of the Fifth NPC deliberated on and adopted the new Constitution, which is a sound cardinal law in our country's legislative history. The state's legal system has become more consolidated with the introduction of more than 300 important laws, including such fundamental laws as the criminal law, the law of criminal procedures, the civil law, the inheritance law, and so forth.

6. With the open trial of the 10 principal culprits of the Lin Biao and Jiang Qing counterrevolutionary cliques, and the expulsion of Kang Sheng and Xie Fuzhi from the party, we have destroyed the counterrevolutionary political force running rampant for a decade.

7. We have earnestly rehabilitated cadres and people persecuted by the Lin Biao and Jiang Qing counterrevolutionary cliques during the "Great Cultural Revolution," and corrected the mistakes of broadening the antirightist scope and opposing the right deviationist tendency.

8. We have implemented policies toward Taiwan compatriots, families of compatriots in Taiwan, and over 400,000 former Kuomintang defectors, removed the labels of over 4.4 million people branded as landlords and rich peasants; and corrected the mistake of mislabelling 710,000 small traders and handicraftsmen as capitalists.

9. Direct election of people's representatives has been expanded to county-level units. Direct county-level elections were held in 1981.

10. A conspicuous change for the better in public order has been achieved following the stern rebuff dealt to serious economic crimes and criminal offenses. China has one of the lowest crime rates in the world.

11. We have corrected the bias against intellectuals, reaffirming that intellectuals are part of the Chinese working class on the forefront of modernization. Respecting intellectuals and proficient personnel has gradually been worked into a new social consciousness.

12. The PLA has achieved remarkable successes in its revolutionization, modernization, and regularization and in defending the frontier areas, safeguarding national security, and contributing to socialist construction. A decision was made to reduce the PLA strength by 1 million people. Border defense units have won major victories in self-defense counterattacks against Vietnam.

13. As a result of promoting socialist ethics, a large number of units, villages, and townships known for their socialist culture, as well as five good families have come to the fore on all fronts in all regions.

14. A large-scale party rectification was launched in the country. With the exception of the rural areas, where party rectification has just begun, over 20 million party members in country-level units and above throughout the country participated in party rectification, thus heightening their party spirit and political consciousness and improving party conduct.

15. Correct principles and policies toward Taiwan have been set in the NPC Standing Committee's "Message to Taiwan Compatriots," and in the 9-point principles for the settlement of the Taiwan issue. The proposal for establishing postal, trade, and communications ties with Taiwan and the "one country, two systems" concept have triggered a strong response in Taiwan and received extensive support from Chinese nationals living overseas.

16. The formulation of the law of regional autonomy of minority nationalities and the adoption of special policies toward national minorities have greatly expedited economic and cultural development in regions inhabited by national minorities. National unity has been strengthened, and ties between various nationalities have entered a new stage of development.

17. The Sixth 5-Year Plan was overfulfilled in all sectors. The targets set for the output of major industrial and agricultural products were fulfilled or overfulfilled 1 or 2 years ahead of schedule. A new situation marked by sustained, steady, and coordinated development appeared in the national economy, which has been vigorously growing. The gross national product exceeded 1.5 trillion yuan in 1985, averaging an annual growth of over 10 percent during the 5-year period. National income exceeded 610 billion yuan, averaging an annual growth of over 9 percent during the 5-year period. During the 5-year period, financial receipts grew at an average of over 10 percent, significantly exceeding the anticipated 170 billion yuan. The successful accomplishment of the Sixth 5-Year Plan has laid a solid material foundation for our country's economic takeoff.

18. The proportion between heavy and light industries, a fundamental issue long unresolved in our country's economic construction, has become more coordinated in recent years. Generally speaking, agriculture, light industry, and heavy industry have now each contributed one-third of the nation's gross industrial and agricultural output value; light industry and heavy industry have now each contributed half of the gross industrial output value.

19. Generally, the task of striving for a fundamental improvement of the nation's financial and economic situation has been achieved. Beginning in 1982, the state's decreasing revenue began to grow. In 1985, revenue and expenditure were balanced and deficit-free. It is expected that total state revenue and nonbudgetary funds of local authorities, departments, and enterprises in 1985 will exceed 300 billion yuan, or nearly 100 percent more than in 1980.

20. The gross industrial output value in 1985 was 823.8 billion yuan, an increase of more than 100 percent over 1978.

21. During the first 4 years of the Sixth 5-Year Plan period, state-owned units invested a total of 526 billion yuan in fixed assets, and acquired 368 billion yuan in new fixed assets. A total of 469 large and medium-sized projects were completed.

22. Energy production continues to grow. At the end of 1985, the nation's coal output ranked second in the world, and the power and crude oil output ranked fifth and sixth, respectively.

23. Significant growth has been registered in communications, postal, and telecommunications services. The converted railway traffic [tie lu huan suan zhou zhuan liang 6993 6424 2255 4615 0719 6567 6852] exceeded 1 trillion metric ton-kilometers in 1985. Four major electrified railways have been commissioned. During the Sixth 5-Year Plan period, over 80 new air routes were inaugurated, and they completed an aggregate 4 billion metric ton-kilometers of air transportation, up 167 percent over that of the Fifth 5-Year Plan period. During the Sixth 5-Year Plan period, 54 new deep-water berths, each capable of accommodating 10,000 metric ton-class or larger ships, were built, increasing handling capacity by over 94 million metric tons each year.

24. Significant progress has been achieved in the electronics industry. The total value achieved in the electronics industry in 1985 is expected to be 200 percent higher than the target set for the Sixth 5-Year Plan period. The average growth during the period was at least 22 percent. The technology of producing a new generation of electronic goods has been mastered.

25. The steel industry has achieved further growth. Steel output in 1985 reached 46.7 million metric tons, up 7 percent over 1984. The first-stage project of the Shanghai Baoshan Steel Complex, with late-1970 world technology, has been commissioned for production. In addition to supplying over 4 million metric tons of steel to the state each year, thus alleviating the state's steel shortage, the plant can also advance the technology of the nation's steel industry and the manufacture of steel equipment.

26. A new way of opening up to the outside world has been established. In addition to the four special economic zones, namely Shenzhen, Xiamen, Zhuhai, and Shantou, 14 coastal cities -- Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang, and Beihai -- have become open cities, and Hainan Island as well as the Chang Jiang and Zhu Jaing deltas and the Ziamen-Zhangzhou-Quanzhou triangular region has also become an open economic zone.

27. By the end of 1985, \$20 billion of foreign capital was spent on establishing 1,800 joint ventures, and in importing thousands of advanced technologies and key equipment into the country, essential to upgrading the quality and increasing the variety of the products from Chinese enterprises as well as to improving their economic performance.

28. China has established economic and trade relations with more than 170 countries and regions. The nation's import and export total reached \$49.77 billion in 1984, an increase of 141 percent over 1978. In terms of export volume, China now ranks 16th in the world, having risen from 32d place in 1978.

29. While public ownership occupies an absolutely dominant position, various economic forms have appeared. By June 1985, over 40,000 small state-operated commercial enterprises had become collectively operated, over 5,000 had become collectively owned, and over 5,000 others had been collectively leased. After the change in economic and operational methods, business volume, as well as the amount of profits and taxes turned over to the state, has increased significantly.

30. Industrially, the reform of the planned administrative system has reduced the scope of the guidance plan and market regulation, profit delivery has been replaced by tax payment, enterprises have been granted greater authority in making decisions, and experiments have been carried out in selected factories in allowing their directors take charge of operations. All this has increased the enterprises' vitality noticeably.

31. The economic administrative system marked by barriers between higher and lower levels and between departments and regions has been smashed. Economic and technical cooperation has been carried out extensively between various regions and various trades and professions; horizontal economic ties have been developing vigorously. During the period between 1983 and October of 1985, there were over 60,000 economic and technical cooperation projects between various regions and between regions and departments in the country, giving rise to various new forms of operation, including integrated economic establishments in urban areas, transprofessional and transregional integrated enterprises, technical markets, and networks providing consultative services.

32. In the first 4 years of the Sixth 5-Year Plan period, living quarters with a total floor space of over 430 million square meters were built in urban areas, or 107.5 million square meters each year. This was nearly 600 percent higher than the 18 million square meters of new living quarters built each year during the decade of the "Great Cultural Revolution."

33. Tourism registered rapid growth during the Sixth 5-Year Plan period. Between 1981 and October of 1985, the number of tourists visiting China exceeded 52 million. During the 1978-84 period, the amount of foreign exchange earned from tourism exceeded \$5 billion.

34. A multiform system of contracted responsibilities based on households with remuneration linked to output has been introduced in rural areas. This great socialist pioneering undertaking of the Chinese peasants has fundamentally changed the old system that restricted agricultural productivity and has charted a new course for developing socialist agriculture with distinctive Chinese characteristics.

35. A breakthrough has been made in agricultural production. Bumper grain harvests have grown, for 6 successive years, by an average of 34 billion jin annually. The total grain output in 1984 broke the 800-billion-jin mark, surpassing the 1978 record by 205.1 billion jin. Cotton production in that year totaled 120 million dan, breaking the 40-million-dan-per-year record which lasted from 1958 through 1978. The problem of food and clothing has been basically resolved.

36. Specialized households have mounted the historical stage as forerunners in commodity production. Because of their relatively high labor productivity and the rather large percentage of marketable products from their total production, these households have become a major force in rural economic development. Now the number of rural specialized households in our country has increased to 4.25 million, or approximately 2.3 percent of the total households in rural areas.

37. In rural areas a variety of cooperative economic systems have begun. A two-tiered operational structure combining family operations and cooperative operation has appeared. Village and township enterprises, which include collectively-run, jointly run, and individually-run enterprises, have also appeared. In addition, more than 460,000 new integrated economic establishments have emerged, while rural supply and marketing cooperatives and credit cooperatives have gradually resumed their cooperative nature. All these have contributed to a radical change of the old, solely collective economic mode characterized by "collective labor and centralized management and distribution."

38. The rural economy has become increasingly vigorous in the course of being reformed. During the Sixth 5-Year Plan period, the gross value of agricultural production increased at an average rate of 10.8 percent annually, far exceeding the average annual growth rate of 3.2 percent registered in the 26 years preceding 1978. In 1985 the gross value of agricultural production was more than 370 billion yuan.

39. Peasants' income has shown steady growth. In 1985 the average net income earned by a peasant was about 400 yuan. This was 13 percent higher than the preceding year and was 209 yuan more than 1980. Peasants' consumption has risen 9.1 percent annually, changing the almost stagnant situation of an average annual growth rate of 1.8 percent for 26 years preceding 1978.

40. Making a new start in late 1970's, village and township enterprises have become an important component of the national economy. The total production value of these enterprises rose from 72 billion yuan in 1980 to 230 billion yuan in 1985. The accumulated total of rural laborers employed by village and township enterprises has reached 60 million.

41. The sole exchange of products between cities and countryside has been replaced by development of secondary and tertiary industries through their joint efforts. Extensive development of multiform, multilayered, and multicomponent economic and technical cooperation has become one of the significant trends in China's economic development.

42. A smooth start has been made in reforming the purchase and sales system of agricultural and sideline products. The 39 agricultural and sideline products originally designated as items for state-monopolized purchase and fixed-quota purchase have all been excluded from such purchases, with a few exceptions. With the state plan as guidance, the market has begun to function as a mechanism to direct peasants' production.

43. A significant step has been taken to adjust production structure in rural areas. The solely agricultural production structure has begun to change into a multilayered production structure. In 1980 forestry, animal husbandry, fisheries, manufacturing, and sideline production accounted for 36.3 percent of the total agricultural production value. In 1985 the percentage reached 49 percent.

44. Animal husbandry, long a "shortcoming" in China's rural economy, has shown rapid development. The nation's livestock production value in 1985 is expected to reach 55.24 billion yuan, reaching a record high. Compared with 1980, this shows a 62.5 percent rise; the average increase per annum is 10.2 percent.

45. Village and township construction has progressed at a faster pace. During the 6 years from 1979 to 1984, peasant housing totaling 3.5 billion square meters in floor space has been built in the villages of our country. This is more than the total housing constructed in the 30 years preceding this period. The construction work of the more than 50,000 market towns in our country is in a fine, vigorous state.

46. The situation under which incomes of urban and rural people remained unchanged for many years has changed. During the Sixth 5-Year Plan period, the average annual wage of urban workers increased by 414 yuan from 762 yuan in 1980 to 1,176 yuan in 1985 [figures as received], or at an average annual rate of 4.7 percent after adjustment for higher commodity prices. The per-capita income of rural people increased by 209 yuan from 191 yuan in 1980 to 400 yuan in 1985, or at an average annual rate of 14 percent after adjustment for higher commodity prices. At the end of November 1985, average urban and rural per-capita bank savings were 150 yuan.

47. Since 1979, China has made great achievements in job placement owing to the "three-in-one" policy of placement through the labor department, jobs in voluntarily organized collectives, and jobs found by individuals themselves. During the Sixth 5-Year Plan period, 35 million additional jobs were created for urban people. The unemployment rate dropped to 1.5 percent in 1985, as compared with 4.9 percent in 1980.

48. In 1985, China took a bold step in reform of its pricing system, rationally readjusted buying and selling prices of grain and the buying price of cotton in rural areas, and gradually decontrolled prices of other agricultural and sideline products. These reforms have prompted production and commodity circulation, invigorated the market, and improved the people's livelihood.

49. In the last several years, we have carried out commercial reforms by maintaining state-operated, collective, and individual commerce at the same time; practicing open commodity circulation; adopting diverse economic forms, multiple circulation channels, and various modes of operation; reducing intermediate links in circulation; and setting up trade centers. The reforms are playing a positive role in invigorating the economy, promoting production, and making the masses' livelihood better.

50. The third census was successfully conducted. The scale of the census was unprecedentedly large, and it was of high-quality compared with censuses conducted by various countries.

51. In early 1985, China, for the first time, organized an expedition to conduct surveys of the South Pacific and Antarctica and set up its first Antarctic scientific observation station -- China Antarctic Changcheng Station -- on 20 February on King George Island.

52. The scientific and technological reform is progressing steadily and has yielded good results. Since the state scientific and technological invention award system was restored in 1979, state invention awards have been issued to winners for 1,089 scientific and technological achievements as of the end of 1985. By the end of October 1985, more than 500 trade fairs for scientific and technological achievements had been held in various localities in China. At the first national trade fair for scientific and technological achievements held in Beijing alone, some 15,000 transactions amounting to 2 billion yuan were concluded.

53. The "Galaxy" supercomputer, capable of performing 100 million operations per second, was successfully developed in 1983.

54. From 1978 to 1985, China launched 10 man-made satellites. In 1984, it successfully developed and launched its first synchronous communications satellite. Since China successfully launched its first man-made satellite in 1970, it has launched a total of 17 man-made satellites of various types. Currently, China is one of the few advanced countries capable of launching man-made satellites with its own carrier rockets and of recovering launched satellites.

55. Having rapidly developed higher education, China now has 1,016 colleges with a total enrollment of 1.5 million. During the Sixth 5-Year Plan period, 1,535,000 students graduated from colleges. In the last 7 years, more than 20,000 students have been sent to study abroad by the state, and several thousand students have entered foreign colleges at their own expense. In 1981, China formally instituted the system of academic degrees. In 1985, there were 46,500 graduate students pursuing either a doctorate or master's degree in China.

56. Adult education has been the best in history. In 1985 there were 1,216 adult schools of all kinds throughout the country, with a total enrollment of 1,725,100. They have provided training for nearly 100 million people.

57. The structure of secondary education has undergone a tremendous change. The ratio between senior vocational and technical middle schools and regular senior middle schools is 1:1.28. About 40 percent of junior middle school graduates are admitted to vocational schools. In 1985 there were 3,557 secondary specialized schools and 8,070 agricultural vocational schools.

58. Progress has been achieved in popularizing education, with the primary school attendance rate reaching 95.9 percent, and elementary education becoming universal in one-third of countries across the country.

59. TV networks have developed rapidly, now totaling over 300 stations. The number of annual TV drama productions has increased from 14 in 1979 to some 1,300 in 1985.

60. Literary and artistic creation has continuously flourished. Some 800 novels were written in the past 7 years, topping the total number of those written during the 17 years before the "Cultural Revolution" by more than 4 times. Thousands of novelettes and tens of thousands of short stories were written annually. Some 760 movies were shot in the past 7 years, more than the total number of those produced during the 17 years before the "Cultural Revolution." A total of 209 outstanding plays received awards in nationwide drama performances.

61. Cultural undertakings, including libraries, museums, and other cultural establishments for the masses, have developed rapidly. At present there are 2,216 libraries, 612 museums, 3,019 cultural centers, 50,000 cultural stations, 24,604 urban and mining workers' cultural palaces and clubs, and 8,934 small-town cultural centers run by the provinces, cities (prefectures), and counties. They form a preliminary cultural network throughout the country.

62. Publishing has advanced continuously. In 1979 some 17,000 books were published across the country. The figure rose to 40,700 in 1984, with a total of some 6.3 billion copies printed. The number of books obtained annually by each individual throughout the country averaged more than 6, exceeding the average number of the developed countries.

63. The people's physical fitness has continuously improved. According to 1982 census statistics, the infant mortality rate had decreased to 34.68 per 1,000 while the life expectancy had risen to 67.88 in 1981. Both figures are approaching the level of developed countries.

64. The trend of excessive population growth has been brought under control; the population increases according to plan. Between 1979 and 1984, the annual population growth rate was 12.31 per 1,000, decreasing from the first 9 years of the 1970's by 5.7 per 1,000.

65. Chinese athletes have scored brilliant records in world and Asian competition. Wiping out the disgrace of never having won a gold medal in the 52-year history of Chinese participation in the Olympic Games, China won 15 gold medals at the 23d Olympics. At the Ninth Asian Games, China ranked first in gold medals won, topping Japan for the first time with 61. Between 1979 and 1984, Chinese athletes won a total of 173 gold medals and broke 114 world records in the Olympics, world championships, or world cup tournaments.

66. China's mass sports has entered a golden period of vigorous development, with about 300 million people across the country regularly participating in sports training.

67. Based on the concept of "one country, two systems," the Chinese Government and the British Government conducted negotiations and signed a joint statement successfully settling the Hong Kong issue. China will resume its sovereignty over Hong Kong on 1 July 1997. The settlement of the issue is of great significance for both the Chinese people and various countries in the world.

68. As a result of readjusting the foreign policy and steadfastly implementing an independent and peaceful foreign policy, China has made important achievements in relations with foreign countries, is enjoying greater prestige in the international arena, and is winning the friendship and cooperation of more countries and people. From the beginning of 1979 to the end of 1985, 17 more countries have established diplomatic relations with China.

69. Exchanges with foreign countries have increased. In 1985 alone, Chinese leaders successively visited some 30 countries in Asia, Africa, Latin America, Europe, North America, and the South Pacific region while heads of state or the government of 26 countries visited China. Exchanges of visits by leaders have enhanced mutual trust and understanding, and resulted in the signing of many agreements in economic, cultural, and scientific and technological cooperation. There have also been tens of thousands of people-to-people exchanges every year.

70. Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC has developed relations with political parties in foreign countries in accordance with the principles of independence, complete equality, mutual respect, and noninterference in each other's internal affairs. The CPC currently maintains relations and contacts in various forms with some 190 political parties and organizations in the world.

#### Commentator Reviews Changes

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[BAN YUE TAN Commentator: "What Do the Changes Over the Past 7 Years Show?"]

[Text] Beijing, 26 Jan (XINHUA) -- It has been 7 full years since the 3d Plenary Session of the 11th CPC Central Committee, a meeting significant as a milestone in Chinese history. Reviewing the course traversed in these 7 years is absolutely necessary if we want to obtain a correct understanding of the situation and appraise our work to find out its rights and wrongs, gains and losses. To this end, this journal has compiled a series of materials under the title "The 70 Achievements Since the 3d Plenary Session of the 11th CPC Central Committee."

When reading these materials, we will all feel they are familiar and touching. If we say that the success of the people's democratic revolution in 1949 brought about an earth-shaking change in our age-old and vast land, then the various major policy decisions adopted since the 3d Plenary Session of the 11th CPC Central Committee have enabled our young republic to make a great, historically important turn. Under the leadership of the party Central Committee, our undertakings over the past 7 years have drawn worldwide attention. History has recorded all those magnificent undertakings: eliminating chaos and restoring order, conducting full-scale reform, proposing the "one country, two systems" concept, carrying out an independent foreign policy.... The series of principles, policies, and measures of the CPC have evoked surprise and admiration and have been eyed with a new attitude both at home and abroad. They are described as China's "second revolution" and "the greatest experiment hitherto appearing in all economic history."

Our achievements over the last 7 years under the leadership of the party Central Committee are universally acknowledged. A situation characterized by political stability and unity is increasingly consolidated, an economic take-off is gaining momentum, the people's livelihood is steadily improving, and New China's influence on the world stage is expanding. People at home feel exultant whenever the current situation is discussed. They all agree that it should be recorded in capital letters in Chinese history.

Public opinion abroad regards China's reform as something that is "remodeling the world" and "changing the course of history," pointing out that "the time has come" for the "Chinese giant to shake the world."

The tremendous changes over the past 7 years are the result of our party's integration of the universal truth of Marxism with our country's concrete practice. We will always uphold the fundamental principles of Marxism. The socialist road, the party leadership, the people's democratic dictatorship, and Marxism-Leninism-Mao Zedong Thought -- these four fundamental principles constitute the basis for formulating our policies. In the meantime, things in China will have to be handled in light of China's conditions. We will not go by the book or metaphysics but by the truth alone. Upholding the policy of seeking truth from facts as advocated by Comrade Mao Zedong and proceeding from China's reality, the party Central Committee, with Marxist courage and resourcefulness, has dared to break through a few Marxist conclusions and theses and thereby creatively develop Marxism.

Marx and Lenin were great men. The Marxist-Leninist theory they founded has displayed a great vitality and withstood the test of time. However, it shoud be acknowledged that the field of vision of a great man, whoever he is, will always be limited. There were no cars in Marx's time, Engels never rode in an airplane, and Lenin never saw a sound motion picture.

Let us review the history. We have now entered the age of electronics and space. Let us look at the world. Our planetary body covers a vast area, and various countries and nationalities differ in a thousand and one ways. It was impossible that our revolutionary teachers should foresee actual problems in the course of making revolution, in carrying out construction in every country, and at every stage so many years after they died. It was also impossible that they could provide posterity with a key for solving the various problems which they themselves had never encountered. The Soviet Communist Party led by Lenin had broken through the individual thesis that "in building socialism, it is impossible to score victory in one country," attaining success in the October Revolution. From the lessons learned at the cost of blood, Comrade Mao Zedong and the Chinese Communists had deviated from the path of "staging uprisings in cities" and adopted the method of carrying out armed struggle by encircling the cities from the rural areas in creating New China. All these are glorious examples in solving new problems and further developing Marxism in light of the new situation by using Marxism's basic theories.

In rejuvenating the Chinese nation and building socialism with Chinese characteristics in the 1980's, we must also adhere to the basic theories of Marxism, dare to break through individual conclusions and theses, realistically solve China's actual problems, and further develop Marxism-Leninism-Mao Zedong Thought.

Public opinion will decide which is right and which is wrong, and there are objective standards in verifying which is which. In our socialist nation, the most important criterion in determining whether a policy is right or wrong and if it has merits or demerits is to see if this policy is conducive to national prosperity and the people's well-being. Our achievements in the past seven years indicate that the principles and policies implemented since the 3d Plenary Session of the 11th CPC Central Committee conform with the three tasks laid down by Comrade Deng Xiaoping in his opening speech at the 12th National CPC Congress in making our party, our cause of socialism, and our country and nation grow and flourish.

In doing everything in the past seven years, our party has always kept the interests of the people in mind. This has reflected the aspirations of the people, winning their support. The series of principles and policies laid down by the party during the past seven years are precisely the products developed by combining the determination of the party Central Committee with the aspirations of the people.

All the achievements in the past 7 years are rich fruits reaped from practices of hundreds of millions of people under the leadership of the party Central Committee. It is impossible to score achievements in developing such a magnificent cause without the changes accomplished by our predecessors and the full support of the people.

When we look back, we realize that our journey in the past 7 years was not smooth and that our victory was hard-won. We have met a great deal of difficulties and resistance. It was inevitable that we had some setbacks and committed some errors. Naturally we would hear some gossip and complaints. However, we have made a breakthrough smoothly. We have broken the solid ice and opened up the channel in which the socialist boat is plowing through the waves, unfurling its sails completely -- sails hoisted by the 3d Plenary Session of the 11th CPC Central Committee.

In the past 7 years, we have attained unexpected achievements, creating extremely favorable conditions for our future developments. We can forecast with full confidence that in the next 7 years, the next 10 years, [as received] we will definitely be able to score even greater achievements if we continue to unite as one in struggle along this triumphant path and work hard tenaciously and in a down-to-earth manner. We will certainly be able to triumphantly fulfill the magnificent targets put forward by the party Central Committee by 2,000, 2021, [as received] and 2049.

#### KAIFANG ON CARRYING OUT OPENING UP POLICY

HK210351 Guangzhou KAIFANG in Chinese No 12, 8 Dec 85, pp 2-5

[Article by Jiang Feng: "Firmly and Correctly Carry Out the Open Policy"]

[Text] Opening up to the outside world is a basic national policy of our country. It was not formulated at will, and it cannot be changed at will. We must firmly and correctly carry out this policy on a long-term basis.

The 3d Plenary Session of the 11th CPC Central Committee decided to shift the focus of the party's work to socialist economic construction. In order to realize the objective of the four modernizations, the party then formulated the policy of opening up to the outside world and enlivening the domestic economy so as to arouse all positive factors. The policy of opening up to the outside world represents a powerful current in China's new historical period. It symbolizes her self-confidence and progress and shows her bright prospects for development and prosperity. The courage and insight demonstrated in the formulation of this strategic policy decision comes from a scientific and realistic spirit and from the sense of responsibility for shouldering the new historical mission. So we can also say that the opening up policy is a product of the advance of the times.

First, the opening up policy is based on Marxist theory. The present world is an open world, in which economies of all countries are more and more closely interrelated and interdependent. Marx and Engels pointed out in the "Communist Manifesto": "The bourgeoisie has, through its exploitation of the world market, given a cosmopolitan character to production and consumption in every country." They also said that all established national industries have been dislodged by new industries, whose introduction has become a life and death question for all nations; the new industries not only use local raw materials but also draw raw materials from remote areas; their products are not only consumed at home but also in all parts of the world. The old local and national seclusion and self-sufficiency have been replaced with exchange in every direction and with the universal interdependence of nations. This brilliant argument reveals the general trend of the world's historical development.

Human history over the past 100 years and more has fully proved the correctness of this statement, which is precisely the theoretical foundation for our policy of opening up to the outside world.

Second, we have profound and painful historical experience in this regard. Over a long period in the past, especially after the Opium War, China was always in a passive position and was vulnerable to attack. China suffered heavily from this. National seclusion was an important reason for China's poor and backward conditions. Comrade Deng Xiaoping said: "After reviewing historical experience, we have found that an important factor for China's long-standing stagnation and backwardness is national seclusion." "Our experience shows that construction in a country can never be successful if the door is closed; China's development cannot be separated from the world." National seclusion will just lead to poverty, backwardness, ignorance, stupidity, and barbarism, and will certainly leave the nation in a passive and vulnerable position; only by opening up can we have extensive knowledge and learn from the strong points of all other nations to offset our shortcomings and build up our strength in international competition.

Third, there is not only an actual need for opening up, but it is also possible to adopt this measure. Our country now is much better than it was before, but it is still rather poor compared with developed countries, and the economy and culture of our nation are still in a backward condition. Comrade Deng Xiaoping pointed out: Poverty is not a characteristic of socialism. Socialism must eliminate poverty. The fundamental task of socialism is to develop productive forces and to gradually improve the people's material and cultural lives. How should we fulfill the task of developing productive forces? We must adhere to the four basic principles, rely mainly on our own efforts and strength, proceed from our existing economic foundation, and actively solicit external support to compensate for our shortage of funds, technologies, and skilled manpower. This is a correct line for us in quickening the pace of our socialist construction. The party Central Committee's proposal for the formulation of the Seventh 5-Year Plan emphasizes that the purpose of acting in light of the general requirement of building socialism with Chinese characteristics and in light of the general policy of opening up to the outside world and enlivening the domestic economy is to consolidate and develop the present good situation in our country and to advance more rapidly on the road to economic prosperity and to a comfortable and happy life for the people.

In the 30 years after the founding of the PRC, because of the influence of the "leftist" ideas at home and the international blockade and restraints imposed by some countries against us, we did not properly open up to the outside world. Now the situation has changed. At home, our party has reestablished a Marxist line, and a new and dynamic atmosphere has appeared. The international political and economic situation has also become rather favorable to us. Developed countries are seeking an outlet for large amounts of surplus funds; a new worldwide technological revolution is surging ahead; new and rapid technological progress and flourishing technological exchanges have replaced technological blockade, and more and more new technologies have been transferred from one country to another. All this provides objective conditions for us to bring foreign funds, technologies, and intellectual manpower into our country. We must make full use of this favorable situation and must not lose this opportunity; otherwise we will make a historical mistake. Practice since the third plenary session shows that our opening up policy is completely correct. This policy has achieved marked results and has played a profound and far-reaching role in promoting our economic development. However, our implementation of the opening up policy is just in the initial stage. There are still problems we must seriously solve. For example, our import and export have not been conducted in an orderly way; our overall economic control and management have not kept pace with the development of the situation; and we have not effectively assimilated imported technologies so as to make use of them in a creative way.

At present, we must continue overcoming obstructions in two aspects in order to carry out the opening up policy. On the one hand, we should break the shackles of the old conventions, ideas, and structures left by the old practice of national seclusion. These things often obstruct the implementation of the opening up policy. When we encounter some problems in the course of opening up, some people come out to criticize the opening up policy and claim that they have predicted these problems. On the other hand, the obstruction comes from some people's malpractices. These people break laws and deviate from the opening up policy, but they do so under the guise of supporting and carrying out the opening up policy. Thus, they in fact seriously tarnish the reputation of this policy. In recent years, we have done a great deal of work in overcoming these obstructions. Henceforth, we must remain sober-minded and must guard against those irresponsible and reckless ideas and actions and prevent them from disrupting our strategic arrangements.

We must be more resolute and conscientious in carrying out the opening up policy. Some people are worried that our opening up policy may be changed. Such worries are uncalled-for. Our central leading comrades have repeatedly and clearly announced that our opening up policy will never change. Comrade Deng Xiaoping said: "China will carry out the policy of opening up on a long-term basis." The policy of enlivening the domestic economy and opening up to the outside world is a long-term policy rather than a short-term policy. If there is any change in the future, the change will only make our country open wider. Comrade Hu Yaobang said: "Opening up to the outside world and expanding foreign economic and technological exchanges on the principle of equality and mutual benefit is an unchangeable strategic policy of our country." In recent years, we have gradually expanded the open areas and have added new content to the implementation of the opening up policy. Following the establishment of the four special economic zones and the opening of Hainan Island, we have opened 14 coastal cities, the Zhu Jiang Delta area, the Chang Jiang Delta area, and the southern Fujian triangle area between Xiamen, Zhangzhou, the Quanzhou cities. We have continuously increased imports and the introduction of foreign funds. All these concrete steps and measures show that our country will not change the guiding principle for opening up but will just advance toward a goal of making our country open wider.

At present, our tasks in the implementation of the opening up policy are to review our experience, continue our practice, unify popular understanding, raise our work efficiency, and work more resolutely to create a new and healthier situation.

First, we should proceed from our objective conditions to determine the degree and scope of opening up and to compose an overall program for opening up so that we may work in a planned and orderly way. When making use of foreign funds and introducing technology and equipment, we should do our best to avoid and reduce blindness, and should give consideration to the following things: the importance and urgency of imported projects in the overall program of our country's four modernizations; the advanced character, adaptability, economic results, and social benefit of any imported project; our backup and service capacity and our ability to assimilate the technologies involved in such a project; the proportion of export in its products and the competitiveness of these products in international markets; and the balance of foreign exchange payment in the deal. Comrade Zhao Ziyang pointed out: In the final analysis, the amount of foreign funds available for use does not depend on our wishful thinking but mainly on our country's solvency and our ability to build backup facilities for imported projects and to assimilate advanced technologies. In order to make use of more foreign funds and introduce more advanced technologies, the key is increasing exports and increasing foreign exchange earnings. At present, we must seriously solve the following problems for the purpose of increasing exports:

1. We should reasonably change the makeup of our export goods and improve their quality so as to effect a fundamental change of the present situation in which we do not have a rich variety of export goods and do not export large quantities of goods, and our export goods are poor in both quality and competitiveness. To achieve this, we should first adopt advanced technology and equipment in the establishments which produce export goods and provide pre-production and post-production services.

2. We should adopt various forms to actively open international markets for our products through diverse channels so as to export our goods to all parts of the world.

3. We should reform the system of foreign trade management and arouse the initiative of the export goods producers and handlers. Under the premise of subjecting all foreign trade activities to the centralized management, we should actively promote the integration of foreign trade with industrial and agricultural production and with technological development. We should establish export production bases and allow localities and enterprises which have necessary conditions to directly handle trade. In addition, we should adopt some policies to encourage export-oriented production and export trade in the aspects of raw material supply, prices, taxation, credit, and foreign exchange retention and use.

We should also use foreign exchange properly. We should not only be active but also cautious in importing technologies and equipment. Consideration should be given to the overall distribution of industry in the whole province and in the whole country in order to ensure the rationality of the overall industrial structure, and product makeup, and to prevent the import of the same item through different channels and the lopsided development of the economy. In order to ensure the correctness of our decisions, we should carefully consider whether to import the complete set of equipment or just import some component parts and individual machines, whether to import the hardware or the software, and whether to import raw materials. When we can get an item on domestic market, we should not import this item from abroad. We must ensure that our limited foreign exchange is used in areas where foreign exchange is most urgently needed and ensure that the use of foreign exchange can achieve the highest economic efficiency and the best social results.

Second, we should strengthen management so as to guarantee and promote the smooth implementation of the opening up policy. If our management work does not keep pace with the development of the situation, disorder and lawlessness may appear. So, we must perfect our legal system, handle affairs strictly according to law, and seriously enforce law and discipline. We must realize that an instruction from any individual leader cannot replace the established laws. Punishment must be resolutely meted out to people who violate law and discipline by taking advantage of opportunities in the course of opening up, and to people who deliberately obstruct the implementation of the opening up policy and clog the channels for opening up, thus causing serious losses. We should prevent the appearance of a disorderly situation in the course of opening up and should also prevent the inactive situation caused by rigid management.

Third, we must more deeply and extensively give publicity to the policy of opening up to the outside world so as to deepen people's understanding of this policy and enhance their work efficiency in carrying out this policy.

1. We should make people realize that the policy of opening up to the outside world is in agreement with the principle of self-reliance. Self-reliance should not be equated with national seclusion. The implementation of the opening up policy will strengthen our internal foundation through external economic exchange, and will thus increase our self-reliant capabilities. Opening up is an indispensable means of effectively invigorating China in modern times.

Now, we have laid a strong socialist economic foundation, so the foreign capital we introduce in a planned way will not affect the socialist nature of our economy.

2. We should study capitalist practice in doing business with foreigners. Previously, we maintained a "bureaucratic" style when doing business with capitalists and thought that we were "adhering to our own principles." In fact, that was a very stupid practice. Lenin said: "If a communist is trying to conclude any treaty with a bourgeois state in accordance with communist principles, then we should send him to the madhouse...or if a communist is trying to include communist principles in the contracts signed with foreign capitalists in light of the concession policy, he is also close to being a madman. In this regard, we must know the capitalist way of doing business; without this knowledge, we will go nowhere." Lenin's words tell us that we must act in a highly flexible way when doing business and cannot rigidly apply the communist principles in our dealings with international capital. In this regard, only the principles for commodity exchange are practical.

3. When dealing with international capital, we must be sober-minded and should cast away all illusions. Comrade Chen Yun once warned: "We must soberly realize that foreign capitalists are no different from capitalists in general. What they want to achieve in their business is just profit, and they will never allow their profits to go below the average profit rate on international markets. There is no capitalist in the world willing to do business under the condition of gaining profits at a rate lower than the average profit rate." So when conducting foreign economic and technological exchanges, we should not have any unrealistic illusions. Otherwise, we may incur heavy losses just for seeking small gains. We must carefully weigh the advantages and disadvantages of a deal and carefully select the option which is most favorable to us.

4. When studying foreign things, we should have a critical attitude. As Comrade Mao Zedong pointed out, "We should learn from strong points of all other nations and learn from all of their good things in the political, economic scientific, technological, cultural, and art fields. However, we must do this in a selective and critical way. We should not blindly imitate other peoples and should not mechanically copy all their things." "In the field of natural science, we are rather backward, so we should try to learn from things in other countries. But we should study foreign things in a critical way rather than in a blind way. I think that we need to copy most of other peoples' advanced technologies at the beginning, because we have not mastered the know-how of these technologies. But when we understand them, we will not need to copy every part of them." "We must resolutely resist and criticize all decadent systems and ideologies of the foreign bourgeoisie." Since we adopted the opening up policy, the party central leadership has repeatedly emphasized that we must simultaneously build socialist material and spiritual civilization and must resolutely resist the corrosive influence of external decadent ideologies and prevent the bourgeois lifestyle from running rampant in our country when we bring in foreign funds, advanced technologies, equipment, and management skills. We must resolutely carry out this basic guiding principle laid down by the party central leadership in our actual work.

4. We should pay close attention to the training of personnel engaged in foreign economic activities and trade and in foreign technological exchanges. Comrade Mao Zedong said: "After the political line is determined, cadres constitute a decisive factor." At present, our political line is correct, but we are short of highly qualified personnel to carry out this line. We need to build a contingent of competent foreign economic workers who have a good command of the party's policies, management and commercial knowledge, and scientific and technological knowledge, who have the courage to pioneer and advance a new cause and can work in a down-to-earth manner for the four modernizations. Comrade Deng Xiaoping said: "The crucial question that determines the success and failure of our cause is whether we will be able to discover and give play to talented people in all fields." Talented people form a key factor for the success of our cause. They represent the hope of our successfully advancing cause!

CORRECT ANALYSIS OF RURAL SITUATION ENCOURAGED

HK270723 Beijing JINGJI RIBAO in Chinese 16 Jan 86 p 2

[Commentator's article: "Correctly Analyze and Understand the Rural Situation"]

[Text] In recent years, we have achieved marked results in rural reform, and the rural situation has always been good. Starting from last year, we have begun the second stage of rural reform, changed the system of state monopoly for purchasing and assigning agricultural and sideline products procurement, expanded regulation by the market mechanism, and further readjusted industrial setups in the rural area. It is appropriate to say that we have been unexpectedly successful in the rural reform. The rural economy has initially embarked on the road of developing the commodity economy in a planned way. This is the main aspect of the rural economic situation.

We say that rural situation was good last year. The main and most fundamental indication of this was that the rural economy as a whole was enlivened. This is the goal of our rural work, the yardstick for examining rural work, and the basis for observing the rural situation. To keep abreast of and promote the production development of rural commodities, the CPC Central Committee resolutely and timely decided to reform the system of purchasing and marketing agricultural and sideline products in the rural area so that agricultural production would be integrated with social demand. This was a breakthrough and development of great significance. All this has enabled peasants to take the initiative to develop commodity production in the light of market demand, and gradually rationalize industrial systems in the rural area.

The soaring enthusiasm of peasants is an important condition for the continuous development of the entire rural economy. The internal vitality of the rural economy is the most important factor playing a long-term role in the entire economic development. The yearly changes in production are caused by various factors and do not completely reflect the essence of things. For example, compared with 1984, grain production output dropped last year. This was a problem discussed by many people. We should specifically analyze it. The reduction of grain output last year was due mainly to severe natural calamities. There is also much room for improvement in our work. However, it could be predicted that if we failed to change the system of the purchase of agricultural products in time, and failed to reform industrial systems, a new "difficulty in selling grain" might inevitably occur, and we would be unable to purchase a large quantity of peasants' grain even though there was another bumper harvest of grain. The phenomenon of "selling grain cheaply and harming the peasants" could not be avoided. This would have seriously dampened peasants' enthusiasm. On the other hand, our failure to reform agricultural systems, in addition to the big drop in grain production because of natural calamities, and our unsuccessful attempt to promote industrial crops and a diversified economy would have considerably reduced peasant incomes. This would also have dampened the enthusiasm of the peasants. However, neither of these situations occurred. On the contrary, the total output value of agriculture and the per capita income of the peasants increased by a fairly big margin, and the momentum of economic growth in the rural area was maintained despite the drop in grain output. This was precisely due to the achievements of reform.

We say that the rural situation is good. Of course, it does not mean that there is no problem at all. At present, there are a number of problems in the rural area. Further efforts must be made to ensure that the rural economy will get on the steady development track. When we investigate causes for some current problems in the rural area, we will find that they are due to the lack of experience both at upper and lower levels in running the commodity economy in a planned way under the public ownership system.

Meanwhile, in the course of changing the closed, old system into an open, new system, people find it difficult to adapt themselves to the new situation in their thinking, habits, and work methods. Some measures of reform need improving and systematizing. In other words, problems occurring in reform should be solved in the process of continuing the reform. Today's achievements are due mainly to reform, and tomorrow's progress will also be determined by reform. We should on no account follow the beaten track if we encounter some problems.

In some areas, the peasants' enthusiasm for planting grain has been dampened. We should also make a correct analysis of this problem. We should realize that even in those areas, the peasants' enthusiasm for developing production and getting rich is still fairly high. In a small number of areas, the peasants are not so interested in planting grain. This is also a rational and normal choice and normal reaction of the peasants. Since the peasants are engaged in commodity production they carry out their production according to market information. Because the burden on grain growers is too heavy and their incomes are lower than those engaged in the production of cash crops and industrial and sideline occupations, peasants have chosen a trade beneficial to their efforts to get rich through hard work. This shows that the peasants have enhanced their understanding of the commodity economy. We should not be surprised or alarmed at these problems. We should take the initiative in actively changing the situation through economic means and providing guidance through correct and effective policy in order to further enhance the enthusiasm of grain growers and grain-producing areas for production.

At present, rural reform is developing in depth. Since urban reform is being linked with rural reform, we have more favorable conditions for accomplishing our task. However, our reform has involved more matters, and new difficulties will occur. The development of rural reform will inevitably touch upon many aspects of our traditional management system, influence various cities, rural areas, departments, and enterprises, and affect economic interests of producers, consumers and operators. Therefore, while fully affirming our achievements which have been made in the second stage of the rural reform, we should further realize the importance and urgency of persisting in and deepening the reform so that we will be clear about our direction, strengthen our confidence, persist in promoting the reform, and further consolidate and develop the present favorable rural situation.

#### FUTURE TASKS OF RURAL REFORM ENUMERATED

HK281402 Beijing JINGJI RIBAO in Chinese 23 Jan 86 p 1

[Commentator's article: "Rural Reform: New Situation and New Tasks"]

[Text] Following the adoption of the output contract responsibility system in the countryside, we began to reform the system for purchasing agricultural products last year and readjusted agricultural structure in a planned way. Peasants have better adapted their production to market needs, and the rural economy as a whole has become more dynamic, with rural commodity production developing further.

The national agricultural growth rate in recent years was higher than ever seen before. In the past years, grain output increased by an average of more than 34 billion jin a year. Last year, although the acreage under grain crops was reduced according to a state plan and some localities suffered from serious natural disasters, the output of grain in the whole country could still meet the market needs. Moreover, forestry, fishery, animal husbandry, rural processing industry, and service industries, which were rather weak before, have all been strengthened in recent years. The gross production of society in the rural areas and the total income of peasants have increased substantially.

However, we should also notice that the existing material and technological foundation for our agriculture remains rather weak; in some areas, peasants now have less interest in growing grain crops; some discrepancies have appeared in the course of the new replacing the old; and the interest relationships between various quarters have become more complicated as rural and urban reforms advance.

Henceforth, the sustained, steady, and well-coordinated development of the rural economy will rely on the continuous improvement of our rural policies, the coordination of all reform measures, and the adoption of necessary follow-up steps, including the improvement of production conditions, technological progress, and the reform of the circulation system. To put it in a nutshell, the general requirements for rural work in 1986 are: Continue to put policies into practice, deepen reforms, improve production conditions, and organize all necessary preproduction and postproduction services so as to ensure the sustained, steady, and well-coordinated development of the rural economy.

The new situation in the countryside and the new tasks for our rural work are very different from things a few years ago. Rural reforms have entered a new stage. We will not only remove the old but will also establish the new. What new things should be established? At present, some follow-up measures should be taken to ensure the implementation of the set policies. There are two matters we must properly handle immediately: First, we should improve the purchase contract system. These purchase contracts link the state plan with the peasants' production. Through the conclusion of contracts, the state gives guidance to the peasants' production and guarantees the supply of agricultural products. It is now particularly important to consolidate the contract system for grain purchase, and then the purchase contract system can be applied to other products. Second, we should properly organize some midway lines in the circulation of commodities. For example, we should establish some vegetable wholesale markets and develop some new commercial enterprises handling transactions between different localities or between different departments.

A long-term task of in-depth rural reforms is to improve and develop the cooperation system in light of the requirements for developing productive forces and developing the commodity economy. This is also a basic aim of the in-depth reforms. The improvement and development of the cooperation system should proceed from the development of the service industry. Economic organizations for regional cooperation should effectively provide technical and operational services and conduct necessary management on the principle of combining integrated operations and work division.

In the course of carrying out the new tasks, we will unavoidably encounter many difficulties and problems. However, the great achievements of rural reforms have inspired and encouraged the people. We have gained benefit from the reforms. Today, our achievements are in carrying out reforms; in the future, our progress will also be in carrying out reforms. As long as we continue reforms, seriously implement the party's principles and policies, and bring all positive factors into play, we will be able to overcome all difficulties on our way forward and will usher in greater developments in our rural economy.

#### AGRICULTURAL BANK ADJUSTS POLICY ON LOANS

OW260420 Beijing XINHUA Domestic Service in Chinese 0909 GMT 24 Jan 86

[By reporters Jiao Ran and Wang Yingchun]

[Excerpts] Beijing, 24 Jan (XINHUA) -- Entering the first year of the Seventh 5-Year Plan period, the Agricultural Bank of China has decided to make appropriate adjustments of its loan policy.

This is due to the need for uniformity in everything in controlling loans last year and to seek better overall control in financial affairs and support readjustments in the establishment of production and technical transformation in rural reas.

At today's meeting of branch managers of the Agricultural Bank of China, Ma Yongwei, president of the bank, said: Our main task in readjusting our loan policy in rural areas this year is to implement guidelines laid down by the national meeting on rural work held by the party Central Committee and the State Council at the end of last year, and gradually work out a whole set of loan policies for different places and different fields. Efforts must be made to handle each case individually. It is necessary to tighten our control over some types of loans, while relaxing our control on others. We must guard against handling each case in the same way. While exercising overall control, we must make sure that loans are available to those who badly need them.

In extending loans to town and township enterprises, an issue concerning rural cadres and peasants most for 1986, the Agricultural Bank of China will grant loans to various enterprises selectively. This guiding principle is to handle each case differently according to the locality, the trade, and the use of the loan. It will not handle each case in the same way. It will adopt more flexible measures in extending loans to less developed areas and to those fields of endeavor that the state encourages for development and in providing circulation funds and loans for facilitating technical transformation.

In order to do a still better job in helping poverty-stricken areas introduce changes, the Agricultural Bank of China had decided to allocate 300 million yuan each year between 1986 and 1990 from its total loan funds in support of the 10 and more poverty-stricken areas designated by the state. These loans will be used mainly to help these areas develop key projects in production and improve their standards of living.

#### Capital Increase Reported

OW251650 Beijing XINHUA in English 1459 GMT 25 Jan 86

[Text] Beijing, January 25 (XINHUA) -- The Agricultural Bank of China has increased the availability of loans to agriculture by boosting savings deposits, speeding the turnover of funds and tapping fund-raising potential. A bank official said here today that its savings deposits by the end of 1987 amounted to 93.4 billion yuan, an increase of 19.4 billion yuan over the early period of last year. The amount of loans which the bank put into circulation last year was 31.5 billion yuan less than in 1984, the official said.

As a result of speeding turnover, the amount of loans last year was actually 35.9 billion yuan more than in 1984, thus meeting needs for loans for normal production and circulation in the country.

Last year saw the bank and credit cooperatives expand their business services to encourage savings. They made 13.75 billion yuan more available for agriculture and rural businesses. The recovery rate rose from 69.3 percent in 1984 to 91.4 percent last year.

DISAGREEMENT OVER SHENZHEN ECONOMICS AIRED

HK250754 Beijing ZHONGGUO XINWEN SHE in Chinese 0712 GMT 25 Jan 86

[Beijing ZHONGGUO XINWEN SHE in Chinese at 1215 GMT on 25 Jan transmits a service message requesting "cancellation" of the following item.]

[Text] Beijing, 25 Jan (ZHONGGUO XINWEN SHE) -- An official of the Guangdong provincial structural reform office today voices disagreement with the viewpoint that "Shenzhen special zone should build an outward-oriented economy." He says that according to this pattern, the special zone's commodities can only be sold abroad and may not be sold in the domestic market; this is a self-enclosed market pattern which does not benefit either the state or the special zone. It is clearly a mistaken policy.

His article, entitled "Have a Clearer Understanding of the Economic Zone from Shenzhen's Economy" is carried today in the weekend forum column of JIANGJI RIBAO. The article advocates: The Shenzhen special zone should built up an open-style economic pattern, that is, it should regard the markets of the interior as its prop and the Hong Kong market as its springboard and focus on directly opening up trade markets overseas. Further efforts should also be made to turn Shenzhen into China's forward position for developing international trade; it should be a frontline position both for import and export trade and also for entrepot trade.

The article proposes that the state institute rational trade policies for the Shenzhen special zone: 1) The method of tendering production costs should be instituted in export trade, and the principle of selecting the finest goods for export should be resolutely followed; 2) entrepot trade should be developed, including cross-border entrepot trade; 3) a policy of banning, restricting, or encouraging imports should be adopted according to the different circumstances; and 4) commodities produced by the Shenzhen special zone should not come under the category of commodities whose import is controlled by the state, and their sale in the domestic market should be permitted, as long as an equal tax burden is borne. The Shenzhen special zone using some imported components should be determined by the proportion of production costs in China-produced articles.

The article criticizes the practices of certain open cities in choosing "barren tracts of land" outside the cities for their "economic open zones," holding that this is a misinterpretation of Shenzhen's experiences.

THREE MAJOR ECONOMIC RESEARCH STYLES LISTED

HK270437 Beijing ZHONGGUO QINGNIAN BAO in Chinese 15 Jan 86 p 3

[Article by Ping Xinqiao, Mo Funin, and Han Shi of Beijing University: "Three Major Research Styles in Chinese Economics"]

[Text] First is the economic research style based on the combination of "Das Kapital" with socialist practice. This has the most significant influence and the richest research strength in China. With this research style, Gu Zhun has independently put forward that products made by socialist enterprises under the ownership by the whole people are commodities. Sun Yefang has made an independent and very creative study of the relationship between labor consumption and results in the law of value. Their achievements suggest that Marxist political economy is the theoretical basis for guiding China's economic structural reform.

Second is the emergence of the new situation in economic research since the introduction, by Chinese economists in 1978, of the Yugoslavian theory of self-management, in which China's socialist economic structural reform is analyzed by applying the reform theories of the Soviet Union and Eastern European countries. Many academics contribute their intellect to China's selection of economic structural modes by making comparisons between the virtues and defects of the economic structures of the Soviet Union and Eastern Europe. They use criticisms from Eastern European reform theorists on the traditional socialist structure to analyze the characteristics of China's economy. Their introduction of the theory of preventing macroeconomic imbalance in the reform period has had a strong impact on overall reform of urban economic structure.

Third is the great change in China's economic research circles, in which a number of socialist economic theoretical workers engage in the study of socialist economic operation by applying Western economic research methods. Under the basic conditions of the socialist economy, these theoretical workers analytically use modern economic methods worked out by Western economists to explain: consumption economics; the theory of economic growth; investment economics; the science of money and banks; international economics; the science of finance; and the science of marketing. They are now working toward the formulation of a new type of socialist economic theory. Their economic influence manifests itself both in the perfection of regulating mechanisms of the socialist economy and in criticizing the shortcomings of the original economic structure. The simultaneous existence of three research styles indicates that China's economic theories vary in form but are identical in purpose.

#### SURVEY SHOWS OPEN MARKET PRICES STABLE

OW271052 Beijing XINHUA in English 1035 GMT 27 Jan 86

[Text] Beijing, January 27 (XINHUA) -- Prices for major agricultural and sideline products in China's open markets have been stable since the state relaxed price controls last spring, today's ECONOMIC DAILY reported. The result of a sample survey of 170 open markets across the country during the January-November period of 1985 showed that prices for grain, edible oil, chicken, pork, beef and mutton were stable or enjoyed a moderate increase, it said. Before the price reforms, purchasing and selling of major food and agricultural sideline products were mainly controlled by the state. Now, producers have the choice of selling their goods to the state or on the open market. The lifting of price controls aims at promoting the development of nonstaple foodstuffs, adding variety to market stock, improving quality and helping to ensure regular supplies. Despite a decrease of grain output last year as a result of natural disasters, the prices for rice and wheat on open markets were not much affected, the paper said. The highest average monthly price of rice during the period was two cents per kg more than the lowest. However, the prices of fresh fish and vegetables rose considerably, while that of eggs floated with the seasons. The paper also said that since last November the prices of most of these products have stabilised, even during the new year and Chinese traditional Spring Festival period.

#### MEETING HELD ON STRATEGY FOR DEFENSE TECHNOLOGY

HK280939 Beijing GUANGMING RIBAO in Chinese 15 Jan 86 p 2

[Report by Xi Qixin: "Discussion Meeting on Strategy for the Development of Science and Technology for National Defense Ends"]

[Text] Recently, the discussion meeting on the strategy for developing science and technology for national defense purposes, was sponsored by the National Defense Science, Technology, and Industry Commission.

Zhang Aiping and Hong Xuezhi, both deputy secretaries general of the Central Military Commission, attended the concluding session and made speeches. The session was presided over by Ding Henggao, director of the State National Defense Science, Technology, and Industry Commission. Principal responsible comrades of the relevant ministries and commissions of the State Council, the Chinese Academy of Sciences, and the general departments and commands of services of the PLA also attended the meeting.

In their speeches, the leading comrades of the Central Military Commission said that the study of the strategy for the development of national defense science and technology is an important component of our efforts to build a modern army with Chinese characteristics. If we do not study this strategy, we will be blind in our national defense science and technology research and in developing our weapons systems, and we will not be able to adapt our Army to the needs of future wars of antiaggression. At this meeting, we have discussed the long-term, medium-term, and short-term objectives for developing our Army's weapons and equipment in light of our national conditions. This is of great significance for the building of our Army.

More than 200 experts and technical personnel from the general staff headquarters and commands of various services of the PLA and from the relevant ministries and commissions of the State Council and the Chinese Academy of Sciences attended the discussion meeting. It was the first time that our country had held such a large-scale discussion meeting on comprehensive strategies for developing national defense science and technology. Ding Henggao, director of the National Defense Science, Technology, and Industry Commission, Zhu Guangya, director of the Science and technology section of the National Defense Science, Technology, and Industry Commission, Xian Ceqian, deputy director of the science and technology section, and other experts gave special lectures to the meeting. The meeting has enabled people to deepen their understanding of the importance and urgency of the study of the strategy for developing national defense science and technology and to achieve a consensus of opinion on the guiding principles, research steps, research content, organization, and methods for developing national defense science and technology. People who attended the meeting held that it marked a new starting point for the formulation of our country's national defense technological development strategy and would produce a far-reaching and positive influence on our national defense modernization and the development of our national economy.

#### MILITARY ATTACHES FETED AT DEFENSE UNIVERSITY

LD281448 Beijing XINHUA in English 1324 GMT 28 Jan 86

[Text] Beijing, January 28 (XINHUA) -- The National Defense University of the Chinese People's Liberation Army gave a reception here today for military attaches from 35 countries in Beijing. The university, set up last December by merging the former PLA military, political and logistics academies is China's highest institution of military learning. It operates directly under the Central Military Commission. While talking with the guests, Commandant Zhang Zhen and Political Commissar Li Desheng of the university expressed the wish to strengthen contacts and academic exchanges with their foreign counterparts.

HENAN CONFERENCE ON ECONOMIC CRIME CONCLUDES

HK241416 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 21 Jan 86

[Excerpts] At the conclusion of the provincial CPC Committee's conference on cracking down on economic crimes, Liu Zhengwei, deputy secretary of the provincial CPC Committee, stressed: In investigating and handling big and serious cases, it is necessary to implement the principle of meting out severe punishment. No matter which levels of departments and cadres are involved, all economic crimes must be resolutely investigated and dealt with and no favoritism is to be practiced.

The Henan Provincial CPC Committee's conference on cracking down on economic crimes, which lasted 4 days, opened in Zhengzhou on 17 January. Attending the conference were deputy secretaries of all prefectural and city CPC committees, directors of the offices for cracking down on economic crimes, and heads of public security organs, procuratorates, and courts. Lin Yinghai, provincial CPC Committee Standing Committee member, head of the provincial CPC Committee's leadership group for cracking down on economic crimes, and secretary of the provincial Discipline Inspection Commission; and Song Zhaosu, provincial CPC Committee Standing Committee member, deputy head of the provincial CPC Committee's leadership group for cracking down on economic crime, and secretary of the provincial Political and Legal Commission, presided over the conference. At the beginning of the conference, Comrade Lin Yinghai delivered a speech: Enhance understanding, strengthen leadership, and penetrately and persistently wage the struggle against serious economic crimes.

The conference held: Over the past year, although our province has scored some achievements in struggling against economic crimes, this struggle has developed very unevenly. Judging from the whole province, economic crimes are relatively serious and the number of cases of graft, receiving bribes, speculation, and swindling has markedly increased. The violations of law and discipline in some economic departments are relatively conspicuous. The situation in evading taxes and refusing to pay taxes by state-run and collective enterprises and by individual industrial and commercial households is fairly prevalent. In view of this, a high degree of attention must be paid to this by CPC committees at all levels throughout the province, measures must be taken to close loopholes, the new circumstances emerging in the new situation must be constantly studied, new problems emerging in the new situation solved, and the struggle against serious crimes in the economic sphere in our province waged penetrately, persistently, and to the end.

At the conclusion of the conference, Comrade Liu Zhengwei laid stress on the problem of fighting well the general war under the leadership of the CPC committees. He said: The offices of CPC committees at all levels for cracking down on economic crimes must take the lead in cracking down on economic crimes in coordination with the political and legal organs and the industrial, commercial, tax, auditing, and commodity price departments.

Comrade Liu Zhengwei also demanded: CPC committees at all levels must regularly show concern for the work of the offices for cracking down on economic crimes and attach importance to and support the work of the political and legal departments.

Responsible persons of all departments and committees of the provincial CPC Committee and all units at the provincial level attended beginning and the conclusion of the conference and listened to the report made by Comrade Lin Yinghai and to the summing-up speech delivered by Comrade Liu Zhengwei.

HENAN RURAL WORK CONFERENCE DISCUSSES SITUATION

HK270255 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 26 Jan 86

[Excerpts] A provincial rural work conference convened by the provincial CPC Committee and government proposed that the general guiding idea for rural work in Henan in 1986 is to persevere in reform, firm up, perfect, and round off the various policies and measures for rural reforms, and promote sustained, steady, and coordinated development of the rural economy, so as to make a fine start to the Seventh 5-Year Plan.

This conference, held in Zhengzhou from 17 to 26 January, was the largest rural work conference held by the province since the meeting of cadres of four levels in 1980.

Provincial CPC Committee Secretary Yang Xizong, Deputy Secretary Liu Zhengwei, Deputy Secretary and Governor He Zhukang, and Vice Governor Hu Tingji made important speeches at the conference.

The participants seriously studied the documents of the central rural work conference. In connection with Henan realities, they enthusiastically discussed the speeches of the leading comrades of the provincial CPC Committee and government, and summed up and exchanged the achievements and experiences gained by various localities since the start of the second step in rural reforms last year.

The practice of the past year has proven that the CPC Central Committee's policy decisions on reforming the system of procuring and selling agricultural products and re-adjusting the rural production structure are completely correct. Last year Henan suffered rather serious natural disasters; grain production declined somewhat, and, in addition, the cotton area was reduced in a planned way. Despite that, due to the fact that the peasants readjusted the production structure to suit market needs, expanded the area of industrial crops, and further developed forestry, fruit cultivation, animal husbandry, aquatic production, and township enterprises, the total value of agricultural output and the average peasant income showed a certain degree of growth. Rural Henan has started to embark on the track of developing commodity economy in a planned way.

The conference held that, amid the excellent situation, it is also necessary to realize that the material and technical foundations of agriculture remain very weak. Some peasants have become less enthusiastic about growing grain. The reduction in agricultural input has had an impact on agricultural capital construction. A number of disharmonies have appeared in the process of replacing the old rural economic system with the new. Following the convergence of urban and rural reforms, regulating the proportional relations in all aspects becomes still more complex.

The key to ensuring that Henan's agriculture shifts to steady and sustained development lies in stability and continual improvement of policies, the continued enhancement of the peasants' enthusiasm, and the continual improvement of the conditions for agricultural production.

The conference stressed: Actively promoting diversified undertakings without any relaxation of grain production remains the fundamental guideline for agricultural production. While continuing to readjust the production structure this year, we must correctly handle the relationship between grain production and diversification and gradually perfect the grain purchase contract system. We should develop a cooperative economy centering on perfecting the household production contract responsibility system with payment linked to output, focus on enlivening rural circulation and finances, vigorously develop lateral economic ties, strengthen mutual support between urban and rural areas, and promote the joint prosperity of urban and rural economy.

The conference announced that the province's annual grain output should reach 65 million jin and total annual agricultural output value should reach 38 billion yuan by the end of the seventh 5-Year Plan. This represents a new-stage production level. The task is extremely arduous. The conference held that the attainment of this goal can only be assured by placing the province's agriculture on a new and advanced material foundation.

Secretary Yang Xizong spoke at the full session of the conference on 25 January. He stressed getting a good grasp of grain production. This year the province should reap 58 billion jin of grain and strive for 60 billion. This goal must be attained.

Prefectural and city CPC Committee secretaries made special journeys to attend this full session. After listening to Comrade Yang Xizong's speech, they presided over panel discussions on 26 January to make arrangements for work.

#### HUNAN LEADER STRESSES CORRECTING MALPRACTICES

HK280557 Changsha Hunan Provincial Service in Mandarin 2300 GMT 27 Jan 86

[Excerpts] Provincial CPC Committee Deputy Secretary Liu Fusheng made a speech at a meeting of secretaries of party committees of the provincial organs on 27 January, pointing out that the provincial organs must take the lead in straightening out party style, create a new situation in building party style this year, and strive for a fundamental turn for the better next year.

On the basis of affirming the work achievements of the provincial organs in 1985, Comrade Liu Fusheng raised the following main problems: There is serious bureaucratism in some units, which has caused economic losses to the state; some people lack a sense of the cause and of responsibility, and do things in a rough and superficial way: procrastination and passing of documents from department to department makes it impossible to solve certain problems; some people pursue political liberalism and air their views in an irresponsible way, irrespective of the occasion; some people like to listen to and pass on gossip, without distinguishing between right and wrong; the thinking of some people is strongly individualist, and they seek fame and profit and are most concerned about individual gain or loss; some indulge in extravagance and vie to buy or exchange imported cars; some use public funds for traveling around the country, giving dinners, and presenting gifts, thus wasting the state's wealth; some units are seriously affected by departmentalism and pass the buck to each other heedless of the overall situation; some indulge in comparing the powers and size of different units and strive for upgrading and more staff; some people stress human feelings instead of party spirit in getting things done and employing people, and appoint only acquaintances to official posts; and the members of some leadership groups are in a state of disunity. Some units are slack in organization and discipline and have not lived an organizational life for a long time.

Comrade Liu Fusheng pointed out: The key to creating a new situation in the party style in the provincial organs this year lies in governing the party strictly. At present it is essential to grasp three tasks:

1. Organize the party members to study the speeches of the leading central comrades at the central organ cadre gathering.
2. Seriously deal with outstanding problems in party style and with serious cases of crime.
3. Strictly adhere to the party's organizational life system.

GUIYANG TO BE EXPERIMENTAL UNIT IN REFORM

HK241107 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 20 Jan 86

[Text] The fifth enlarged meeting of the fifth provincial CPC Committee decided that Guiyang City should be made an experimental unit in carrying out reform of the economic structure in the whole province and priority given in guidance.

In accordance with this spirit, from 13 to 17 January Zhang Shukui, provincial CPC Committee Standing Committee member and vice governor, and responsible comrades of provincial departments concerned went to Guiyang City to hold a forum on the pilot project to reform the urban economic structure in Guiyang City. At the forum, the comrades seriously listened to the reports on the experiences gained by Guiyang City over the past 5 years in reform of the urban economic structure and on the problems arising in the course of reform. They studied the problems of comprehensive reform of the urban economic structure.

In his summing-up speech at the forum, Vice Governor Zhang Shukui pointed out: It is necessary to correctly analyze and understand the economic situation, to strengthen our confidence in reform, to seriously implement the principle of consolidation, digestion, supplementalism, and improvement, and to carry out urban reform in depth.

He said: Comrade Hu Jintao has demanded that during the Seventh 5-Year Plan period, Guiyang City be in the van of the whole province in four aspects. This is also a target which we must attain in our pilot project. Judging from the practical situation in Guiyang City, we must lay stress on grasping five aspects of work well:

1. We must regard enlivening enterprises as the central link. What we must emphasize is that to enliven enterprises, Guiyang City must undertake the main tasks. Departments concerned at the provincial level must actively coordinate with and support it and do service work well. It is hoped that in the aspect of enlivening enterprises, Guiyang City will create experience, set an example, and push the whole province forward.
2. We must work hard in the aspects of developing economic relations among enterprises and regions and of pushing forward the reorganization and combination of enterprises. We must make practical progress.
3. We must make a breakthrough in developing the market for means of production. The market for means of production is a difficult point in urban reform, which involves all fields. We have some foundation. Provincial and city material departments must seriously study and continue to forge ahead.
4. In opening up financial resources and expanding the market, we must continue to carry out some exploration.
5. With a department as a key point, we must study a new way for the urban government's management of enterprises.

SICHUAN MEETING DEMANDS IMPROVEMENT IN PARTY STYLE

HK250229 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 24 Jan 86.

[Excerpts] On the afternoon of 22 January, the Sichuan Provincial CPC Committee convened a gathering of cadres at and above department and bureau level in the provincial organs to mobilize the study and implementation of the speeches of leading central comrades at the central organ cadre gathering. The meeting demanded that the provincial organs become examples for the whole province in straightening out party style.

Comrades Yang Rudai and Gu Jinchi spoke at the meeting. Comrade Feng Yuanwei read out the provincial CPC Committee's circular on studying the speeches of the leading central comrades at the central organ cadre gathering. Comrade Jiang Minkuan presided.

The leading comrades of the provincial CPC Committee pointed out: The state of party style in the provincial organs has a major impact and plays an exemplary role for party style and social mood throughout the province. To enhance this exemplary role is the key to straightening out party style and social mood throughout the province.

The meeting analyzed the current state of party style in the provincial organs, holding that as a result of party rectification and implementation of the circular of the General Offices of the CPC Central Committee and State Council on solving some current serious problems in organ work style, the cadres, staff and workers of the provincial organs have enhanced their understanding of the importance of straightening out party style, and marked achievements have been scored in certain respects in correcting new unhealthy trends. However, we must clearly realize that there are still many problems in party style in the provincial organs. The unhealthy trends pointed out by the leading central comrades exist in varying degrees.

First, political liberalism is rather conspicuous among certain units and comrades. This is not permitted by party regulations and discipline. It is a hangover from the Cultural Revolution, which corrodes party unity and solidarity. We must certainly not underestimate its damaging role.

Second, there is serious bureaucratism in certain units. They lack drive and a strong sense of responsibility; lording it over everybody, they are divorced from the masses. They fail to investigate and study the new situations and problems in reform, but sit in their offices passing the buck to each other. They can spend 18 months dealing with a simple problem and still not solve it.

Third, small group mentality and departmentalism, which damage the state's interests, have increased in certain units. They do not shrink from telling lies and harming the state for the sake of small group interest. Some units cause major economic losses to the state for the sake of their own private interests. Certain departments and bureaus made random payments of bonuses and goods in kind at the end of 1985.

Fourth, certain labor service companies run by various organs have not been sorted out and rectified. Some of them have actually turned into small treasuries for random payment of money and goods. There are serious problems regarding the enterprises attached to provincial organs.

Fifth, the leading cadres of a few units hanker for a comfortable life and think only about personal gains and losses. Some refuse to hand over excessive housing. Others slip back to their old ways after handing over excessive housing and use their powers to occupy still more housing. The leading cadres in a few units vie for power, fame, and profit, and organize factions.

The provincial CPC Committee stressed that in solving these problems, straightening out party style, correcting unhealthy trends, and eliminating rottenness, it is essential to apply the principle of making resolute and sustained efforts. Based on Comrade Deng Xiaoping's call to utter less empty talk and do more practical work, it is necessary to focus on grasping the following points:

1. The provincial organs must immediately take action and launch universal and serious study of the spirit of the speeches of the leading central comrades.

2. After the Spring Festival, it is necessary to carry out a major inspection and rectification of party style. We must stress action and results in this inspection.
3. Continue to grasp the work of investigating and dealing with major and important criminal cases. No matter who is involved, we must carry out resolute and thorough investigation. We must break down obstacles and grasp matters to the end if it is found that leading cadres and their sons and daughters are involved in major cases.
4. Integrate stepping up ideological education with establishing rules and regulations, and properly put party life on a sound basis.

Responsible comrades of the provincial CPC Committee also spoke at the gathering on a number of problems of understanding in this year's economic work.

The provincial CPC Committee's circular on studying the speeches of the leading central comrades at the central organ cadre gathering demanded that the party committees and groups of the provincial organs seriously study and implement these speeches and tangibly improve organ work style, so as to make still greater contributions to creating a new situation in all work in the province.

1. It is necessary to understand more clearly that the country's current political and economic situation is one of the best since the founding of the state. By correctly understanding the situation we can unify the thinking of the whole party, brace spirits, and consciously implement the party's policies and principles.
2. We must put strict enforcement of discipline in a prominent position in straightening out party style in the provincial organs.
3. Tangibly improve work and efficiency in the organs. The leading organs at all levels must work hard to eliminate bureaucratism, carry out investigation and study in depth, keep in close touch with reality, and strengthen their concept of the overall situation.
4. It is necessary to assiduously study Marxism and strengthen party spirit. In particular, leading cadres must make great efforts to study basic Marxist theory, firmly cling to the communist ideal, and always remember the program of wholeheartedly serving the people. They must continually strengthen party spirit, and also study modern science and technology, culture, and management.

The circular demands: We must certainly not go in for formalism in studying the speeches of the leading central comrades. We must implement the principle of linking theory with reality, get a tight grasp on the existing problems, and solve them one by one. At present we must focus on the following problems:

1. We must apply the spirit of the speeches of the leading central comrades to sum up 1985 work and firm up the tasks for 1986. We must seriously check on the state of implementation of the spirit of the National Conference of Party Delegates and central General Office Document No 57 of 1985. We must seriously act to improve the work style of leading organs and cadres, starting by checking on and correcting the six serious unhealthy trends and straightening out organ discipline.

After the Spring Festival, all units must carry out a major inspection and rectification of discipline and work style. Leading cadres must take the lead in improving work style, and resolutely oppose political liberalism, individualism, small group mentality, and departmentalism.

They must oppose the practice of using powers for private purposes, and carry out the relevant instructions of the CPC Central Committee and State Council in a model way. They must dare to grasp and tackle unhealthy trends.

2. The provincial CPC Committee Standing Committee is resolved to take the lead in studying and implementing the spirit of the central leaders' speeches, and to launch serious criticism and self-criticism, so as to improve the leadership style of the provincial CPC Committee. Leading organs must set an example for the whole province.

Regarding the few units and individuals where there are serious problems, the departments concerned must rapidly organize forces to clarify the situation and deal with matters seriously.

3. We must implement the principle of simultaneous study, review, and correction throughout this study.

4. We must work hard to investigate and deal with major criminal cases.

The circular says in conclusion: Written reports on the situation in study, inspection, and implementation in each unit must be submitted to the provincial CPC Committee by the end of March.

#### XIZANG MOBILIZATION RALLY DISCUSSES PARTY STYLE

HK250816 Lhasa Xizang Regional Service in Mandarin 1130 GMT 21 Jan 86

[Excerpts] Yesterday afternoon, with a view to making efforts for a fundamental turn for the better in party style in our region and to really implement the spirit of the enlarged meeting of the regional CPC Committee Standing Committee, the regional CPC Committee held a mobilization rally of the regional subordinate organs on straightening out party style. Attending the rally were responsible comrades of the regional party and government and the principal responsible comrades of the regional subordinate organs and of Lhasa City, totaling some 130 people. Regional CPC Committee Deputy Secretary Gyanincain Norbu presided over the rally.

Regional CPC Committee Deputy Secretary Dangzin spoke at the rally. In dealing with the problems of how to straighten out our region's party style, Comrade Dangzin laid stress on two problems:

First, analyzing the current state of our region's party style. At present, the main current in party style in our region is good, but unhealthy trends also exist. They are mainly expressed in four aspects:

1. Some leading cadres are irresponsible and lack devotion to work. Their bureaucratism is serious. The efficiency of organs is low and their work style poor. Very big economic losses are incurred.

2. Some cadres, even leading cadres, extort and accept bribes and violate the law and discipline. Corrupted by capitalist ideology, some cadres forget all moral principles at the sight of profits, defy party discipline and state law, and seek private ends by fair means or foul.

3. Some cadres take advantage of their powers to pursue private ends and do not adhere to principles.

4. Some units and cadres take part in an organization's abnormal activities, their concept of the organization is blunted, and their discipline and work is slack. They neither carry out orders nor stop doing what is prohibited.

The main reason for generating these unhealthy trends is that some leading cadres lack devotion to work and the sense of duty and in the new situation in reform, opening up, and invigorating and disregard and relax the work of resisting corruption by capitalist ideology. In employing people, they do not stress politics. At ordinary times, they do not conduct education.

Second, our region's requirements for straightening out party style and its plan for the next step. Comrade Dangrin emphatically pointed out that straightening out party style is a guarantee for implementing the spirit of the enlarged meeting of the regional CPC Committee Standing Committee. Before the lunar new year of the Tibetan nationality and the Spring Festival, all units must continuously stress grasping well the study of going further in negating the Cultural Revolution, in eliminating leftist ideological influence, and in straightening out the ideological line. On this basis, it is necessary to link straightening out party style closely with the implementation of the spirit of the enlarged meeting of the regional CPC Committee Standing Committee.

In order to realize the basic improvement of our region's party style, Comrade Dangzin put forward four demands: 1) It is necessary to strengthen political and ideological work and to conduct penetrating education in party spirit, party discipline, and party style for all party member cadres; 2) it is essential to do well in grasping typical examples and we must both commend advanced individuals and advanced collectives whose party style is correct and grasp and severely deal with big and serious cases; 3) leadership organs and leading cadres must take the lead and the regional CPC Committee Standing Committee members and the leading cadres of the regional leadership organs must take the lead from now on and set an example; and 4) it is imperative to inspect and straighten out discipline in conjunction with correcting party style.

#### ZONG SHUNLIU INSPECTS XIZANG BORDER DEFENSE UNITS

HK270546 Lhasa Xizang Regional Service in Mandarin 1130 GMT 22 Jan 86

[Text] On the afternoon of 22 January, Zong Shunliu, deputy director of the PLA General Logistics Department, and his party, totaling 11 persons, who have come to inspect the work of the Xizang border defense PLA units, went to the regional CPC Committee to pay a cordial visit to the leading comrades of the regional CPC Committee and regional people's government. Responsible comrades of the regional party, government, and Army, including Dangzin, Gyanincain Norbu, Hu Songjie, Gyibug Puncogcedain, Tudao Doje, and Gao Tangjin, held cordial talks with the leading comrades who were calling on them.

On behalf of the regional CPC Committee, regional people's government, and Xizang Military District, Comrade Dangzin, deputy secretary of the regional CPC Committee, expressed heartfelt thanks to the leading comrades of the General Logistics Department for their visit and for the great contributions made by the PLA units toward the building of Xizang.

On behalf of the leaders and organs of the General Logistics Department, Zong Shunliu, deputy director of the General Logistics Department, extended greetings and thanks to the regional CPC Committee and regional people's government for showing concern toward the PLA units.

I. 29 Jan 86

PRC REGIONAL AFFAIRS  
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NEI MONGGOL CHAIRMAN ON CORRECTING PARTY STYLE

SK270832 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 26 Jan 86

[Text] In his report to the regional meeting of the banner and county CPC Committee secretaries, Comrade Bu He stressed that leading organs and leading cadres must set an example in straightening out party style. He said that straightening out party style is an issue that the masses have generally paid close attention to and are endlessly discussing at present. We must notice that with the efforts of the whole party, the region has realized a great turn for the better in party style since the 3d Plenary Session of the 11th CPC Central Committee. The basic change is that the party's ideological line of seeking truth from facts and the three major work styles have been restored. Inner-party political life has been regularized with a pronounced democratic atmosphere. The people dare to speak what they want to speak. But, as the central authorities had pointed out, such corrosive tendencies really exist because of the leaders' divorcing themselves from the masses. These corrosive tendencies, although they are not serious, may bring about extremely bad results. Thus, the party organizations at all levels must pay a great deal of attention to this.

Comrade Bu He said: Leading organs and leading cadres must take the lead in straightening out party style. If they do not take the lead in correcting unhealthy practices, it will be difficult for them to express themselves in strong terms and the lower levels will not obey them. Thus, it will be difficult to solve problems. Only when leading organs and leading cadres have good leadership are they able to face difficulties. Recently, the CPC Central Committee decided that the central organs and Beijing Municipality should play an exemplary role for the whole nation in straightening out party style. This is an important policy decision of the CPC Central Committee and will have a great effect on the realization of a basic turn for the better in party style.

The regional CPC Committee urged leading organs and departments at all levels to take the lead in responding to and implementing the CPC Central Committee's call. From now on, the regional party and government organs and leading cadres at or above the banner and county level should first take the lead in implementing the policy decision of the CPC Central Committee on the basis of each level supervising the next lower level. They must not indulge in dishonest practices but have a clear-cut stand in combating other's dishonest practices. They should pay special attention to opposing and correcting serious bureaucratic practices, liberalism in the political field, and unhealthy corrosive practices of taking advantage of one's power to seek private gain.

TIANJIN CONGRESS APPROVES PERSONNEL CHANGES

SK280423 Tianjin TIANJIN RIBAO in Chinese 15 Jan 86 p 2

[Text] The following is the namelist of personnel changes approved by the municipal People's Congress Standing Committee on 14 January.

Wang Min [3769 3046] and Zhao Yan [6392 1484] were appointed vice chairmen of the Financial and Economic Commission under the municipal People's Congress Standing Committee.

Wang Min was dismissed from his post of deputy secretary general of the municipal People's Congress Standing Committee.

Yue Shugong [1471 2885 0501] was appointed director of the municipal Finance Bureau.

Li Changxing [2621 7022 5281] was dismissed from his post of director of the municipal Finance Bureau.

Zhang Dequan [1728 1795 6898] was appointed deputy procurator of the municipal People's Procuratorate and member of the Procuratorial Committee of the municipal People's Procuratorate.

Luo Xiuying [7482 4423 5391] was appointed member of the Procuratorial Committee of the branch of the municipal People's Procuratorate, and was dismissed from her post of member of the Procuratorial Committee of the municipal People's Procuratorate.

#### TIANJIN PROHIBITIONS FOR FOREIGN-TRADE PERSONNEL

SK271322 Tianjin City Service in Mandarin 0030 GMT 26 Jan 86

[Text] Recently the Foreign Affairs and Foreign Economic Relations Commissions under the municipal CPC Committee and the municipal Foreign Affairs Office formulated 10 measures to straighten out party style and improve the work style among the organs.

The measures first urge party committees and leading cadres at all levels on the foreign economic relations and foreign affairs fronts to earnestly study the important speeches given by the central leading comrades at the conference of cadres from central-level organs and to set examples in straightening out party style and improving the work style among the organs. In order to enhance management over foreign economic relations and foreign affairs and to plug loopholes, the municipal commissions of foreign economic relations and foreign affairs have explicitly stipulated that delegations and groups that go abroad and the departments in charge of foreign economic relations and trade and of foreign affairs should strictly enforce policy and discipline concerning foreign affairs. In particular for personnel who go abroad, we should reaffirm discipline regarding the following 10 prohibitions:

- 1) No one is allowed to waste public funds by going on trips to different scenic spots and taking advantage of foreign tours; 2) no one is allowed to ask for the belongings of foreigners, foreign businessmen, and our diplomatic personnel stationed in foreign countries; 3) no one is allowed to concoct various pretexts to personally share foreign exchange or to seek illegal income; 4) no one is allowed to personally make a decision on gift presentation and to illegally share gifts presented by foreign businessmen; 5) no one is allowed to personally assume responsibility for his travel per diem and to pocket the surplus; 6) no one is allowed to fraudulently speculate in foreign exchange or to deposit money in foreign banks; 7) no one is allowed to violate provisions and to make a detour for seeking other tours; 8) no one is allowed to extend his stay in foreign countries without reason; 9) no one is allowed to reveal secrets; and 10) no one is allowed to damage the prestige of oneself or the motherland.

In line with the 10 prohibitions, units on the foreign economic relations and foreign affairs fronts will conduct a general inspection on the enforcement of discipline in affairs. Matters violating discipline should be resolutely dealt with.

The 10 prohibitions also stipulate that the leading cadres of party and government organs at all levels will not be allowed to take up concurrent post in joint-venture enterprises with foreign countries or to accept any payment by adopting any ways and means from enterprises. Those who hold a concurrent post should resign from their posts immediately. The leading cadres of party organizations should also set examples in correcting malpractices, such as seeking personal gain by taking advantage of power, and resolutely combat them.

In putting forward the 10 prohibitions, the municipal commissions in charge of foreign economic relations and foreign affairs also pointed out that the principal responsible comrades of party committees at all levels should personally take charge of straightening out party style and establish responsibility systems in this regard.

It has been learned that the leading cadres at all levels on these fronts will go deep into grassroots-level units before the Spring Festival to show concern for the people's livelihood and to realistically help them deal with some practical problems that need to be solved urgently in order to make a good start in creating a fundamental turn for the better in party style and work style.

NI ZHIFU ATTENDS TIANJIN INDUSTRIAL FORUM

SK240537 Tianjin City Service in Mandarin 0030 GMT 24 Jan 86

[Excerpts] The municipal meeting to sum up investigations and studies of the three basic links in industry ended on 23 January. Ni Zhifu, secretary of the municipal CPC Committee, attended the forum held on 23 January with the participation of the party and government responsible comrades of various industrial bureaus. He called on various industrial bureaus to rapidly go into action, and strengthen their work.

At the forum, the participants cited their personal experiences in discussing the importance of the three basic links in industry. Responsible comrades of the units in charge of finished products of the first and the second industrial enterprises and of the textile industrial enterprises enumerated many facts and stated that the weak basic links resulted in the weak competitiveness of their products. In looking forward to the future, they said that if they refuse to accelerate the building of the basic links, it will be very difficult to keep pace with the development of the current situation.

Zhang Shiyong, director of the municipal First Light Industry Bureau, said: Our bureau's products need to be upgraded and updated, and we are confronted with a sense of crisis. If we refuse to speed up the building of the basic links, continue to pay no attention to our equipment and physical strength, and only see the immediate interests to the neglect of the long-term interests, just as we did in the past, we will certainly lag behind. In drawing up the Seventh 5-Year Plan for our bureau, we should bring the building of the basic links in line with the plan.

Today's issue of TIANJIN RIBAO carried on the first and the second pages the full text of the speech by Ni Zhifu, secretary of the municipal CPC Committee, at the municipal meeting to sum up investigations and studies of the three basic links in industry. The speech is entitled "Strengthen the Building of the Basic Links, and Revitalize Tianjin's Industry."

PETROLEUM MINISTRY HOLDS CELEBRATION AT DAQING

SK270842 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 26 Jan 86

[Recorded report filed by station reporters on 26 January from the Daqing oil field]

[Experts] By adhering to a high degree of the revolutionary spirit and vigorously promoting scientific and technological progress, the Daqing oil field has stabilized its annual crude oil output at 50 million tons since 1976, has fulfilled the goals of producing 50 million tons of crude oil annually, and has yielded stable output for 10 years. This has enabled the Daqing oil field to reach advanced world standards in terms of overall development, and to become a dazzling jewel in the modernization drive of our country. This afternoon, the Ministry of Petroleum Industry held a ceremonious celebration meeting in Daqing to congratulate the Daqing oil field on achieving its goal of producing 50 million tons of crude oil annually over the past 10 years.

Attending the meeting were Wang Tao, minister of petroleum industry; Zhao Zongnai, (Zhou Yongkang), and Li Tianxiang, vice ministers of petroleum industry; and Zhang Wenbin and Jiao Liren, advisers to the Ministry of Petroleum Industry. Sun Weiben, secretary of the provincial CPC Committee; Hou Jie, governor of the province; and Chen Lei, chairman of the provincial Advisory Commission, also made a special trip to the Daqing oil field to participate in the celebration. Wang Tao, Sun Weiben and Chen Lei spoke at the meeting. Chen Liemin, secretary of the Daqing City CPC Committee and secretary of the CPC Committee of the Daqing Petroleum Administration Bureau, also spoke at the meeting.

In his speech Comrade Sun Weiben said: Fellow comrades! We are very excited about participating in the celebration held by the Ministry of Petroleum Industry for the Daqing oil field. The fact that Daqing oil field has had stable yields for 10 years running is actually a big victory which deserves celebration. On behalf of the provincial CPC Committee and the provincial people's government, I hereby express my heartfelt congratulations to you on your victory, and extend my cordial greetings and respects to all workers and staff members of the Daqing oil field as well as their family members.

Petroleum is an important material for the socialist modernization drive. The 12th party congress regarded the production of energy resources, including petroleum, as one of the strategic emphases for fulfilling the general goal of economic development by the end of this century. The CPC Central Committee and the State Council are very concerned about the petroleum workers, and have issued many important instructions calling on the Daqing oil field to strengthen survey work, extend the stable-yield period, discover another Daqing oil field, and continue making great contributions to the state for a long time. This time the CPC Central Committee and the State Council have set still higher demands on the Daqing oil field and on its workers and staff members. The provincial CPC Committee and the provincial people's government believe that the workers and staff members of the Daqing oil field will certainly live up to the trust and expectations of the CPC Central Committee, discover another Daqing oil field, continue to maintain the annual crude oil output at 55 million tons until the end of this century, and make still greater contributions to the socialist modernization drive.'

SUN WEIBEN AT HEILONGJIANG CPC MEETING

SK241116 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 22 Jan 86

[Text] On 22 January, the Heilongjiang Provincial CPC Committee held its Standing Committee meeting to earnestly study the speeches given by the central leading comrades, including Hu Yaobang, at the conference of cadres from the central-level organs with regard to straightening out party style.

After studying the speeches at the meeting, the participants unanimously held that the provincial-level organs will certainly be able to make unremitting efforts to achieve a fundamental turn for the better in party style by the end of 1986.

The meeting heard a report on the province's implementation of Document No 57 issued by the General Office of the CPC Central Committee. The meeting held that localities and departments throughout the province had attached great importance to the issue after the issuance of Document No 57, and particularly after the establishment of the leading groups in the provincial CPC Committee and the provincial people's government in charge of implementing the document. They have established organizations, enhanced their leadership, and earnestly organized their study in order to upgrade their ideological understanding. Their leading comrades have taken the lead in carrying out inspection and examination and worked out measures to correct their mistakes while conducting inspection and examination. Although the examination activities are only preliminary, the problems discovered in the activities have proved that party and government organs throughout the province still have, in varying degrees, the various manifestations of malpractices pointed out by the central leading comrades in their speeches.

In discussions at the meeting, participating comrades unanimously held that in straightening out party style throughout the province, the provincial-level organs should set examples in the work in which their leading personnel should take the lead in work. In setting examples for the units throughout the province, the provincial-level organs should currently do a good job in grasping the following tasks:

1. The Standing Committee members of the provincial CPC Committee should set themselves as examples in straightening out party style and boldly take charge of this work. The leading bodies at all levels among the provincial-level organs should earnestly study the speeches by the central leading comrades in order to upgrade their understanding. Their top leaders should personally take charge of the work of straightening out party style.

2. In order to push forward the work of straightening out party style, the provincial-level organs should convene their conferences of cadres before the Spring Festival to mobilize them to deeply study these speeches and to make further concrete arrangements for the work of straightening out party style.

3. Efforts should be made to vigorously deal with a number of major and serious cases. Those who have stuck to their old way in spite of the directive and hindered the path of checking and dealing with the malpractices or have shielded wrongdoers in checking activities should be openly dealt with by presenting their typical mistakes. Meanwhile, efforts should be made to openly commend the advanced that have emerged in straightening out party style.

4. Attention should be paid to the protracted and steadfast nature of the work of straightening out party style. Efforts should be made to uphold the principle of grasping the work every day and investigating or dealing with cases carefully and to continuously establish or improve the responsibility systems for the work. The top leaders of the units should truly assume responsibility in this regard.

The party standing committees on the relevant fronts and the leading group in charge of straightening out party style should make concerted efforts to assume responsibility for successfully holding study classes for the top leaders of various units in order to enable the fronts concerned to take steps in straightening out party style. The provincial CPC Standing Committee should frequently discuss the progress made in straightening out party style and strengthen its leadership over the work.

At the meeting, a leading group in charge of straightening out party style was established. Yesterday's meeting was presided over by Comrade Sun Weiben. Also attending the meeting were Comrades Li Gensheng, Chen Yunlin, Liu Chengguo, Zhou Wenhua, Bai Jingfu, Li He, and Huang Feng.

Attending the meeting as observers were leading comrades of the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress, the provincial people's government, and the provincial CPPCC Committee, including Chen Lei, Wang Luming, Zhang Xiangling, Wang Fei, Li Jianbai, Chen Yuanzhi, He Shoulun, and Wang Zhao.

#### HEILONGJIANG SECRETARY VISITS UNIVERSITY

SK240435 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 23 Jan 86

[Text] On the afternoon of 23 January, Sun Weiben, secretary of the provincial CPC Committee, went to Harbin Engineering University to hear work reports and visit the laboratories.

After arriving in Harbin Engineering University, Sun Weiben said to the leading comrades of the university present on the scene: Your university is the first university I came into contact with when I first arrived in Heilongjiang Province. This time, I am here to recognize the school and the people here and to learn about the situation so that I will be qualified to speak on the future work of the university.

He conscientiously heard the work reports given by Jiang Yihong, secretary of the CPC Committee of Harbin Engineering University, and (Yang Shiting), president of the university. While touching on the issue that some departments and localities have requested Harbin Engineering University to help establish schools, Sun Weiben said: Such a way of doing things is good because it needs less investment but yields greater results as compared with the way schools were established in the past and it can also ensure the quality of training competent personnel. Those departments and localities which need personnel may invest in the existing schools and may run schools with joint efforts.

While touching on the education of students, Sun Weiben said: The schools should not merely disseminate knowledge. They should persist in imparting knowledge and educating the people.

While touching on the implementation of the policy on intellectuals, he said: In implementing the policy on intellectuals, we have to solve many problems such as wages and housing. But the most important thing is to create a good mental state and to enable each and every person to see the development and good prospects of his career and to devote himself to realizing his ideals.

Sun Weiben, secretary of the provincial CPC Committee, also visited the laser laboratory of the university and had a cordial talk with Professor (Ma Puguang), a special-grade model worker and an outstanding Communist Party member of the province, and acquainted himself with his research achievements. He also wrote these words in the laboratory's visitors' book: We are absolutely capable of scaling the heights of the world. We wish that the laser laboratory will make greater contributions to developing the motherland's scientific undertaking within a short time.

NINGXIA SECRETARY ON MAJOR TASKS FOR 1986

HK210011 Yinchuan NINGXIA RIBAO in Chinese 4 Jan 86 p 1

[Report: "Li Xuezhi Gives a Talk to a Staff Reporter on Six Major Issues To Be Grasped Well by the Regional CPC Committee This Year"]

[Text] At the request of our reporter, Li Xuezhi, secretary of the regional CPC Committee, recently gave a talk on the regional CPC Committee's major tasks this year.

Comrade Li Xuezhi said that the general tasks for 1986 are: to continue the propagation and implementation of the spirit of the National Conference of Party Delegates in a profound manner; to carry out more resolutely the line, principles, and policies drawn up since the 3d Plenary Session of the 11th CPC Central Committee; to consolidate, assimilate, enrich, and perfect various reform measures; to persist in the "two civilizations"; to ensure the sustained, steady, and coordinated development of the national economy; and to further consolidate and develop the political situation of stability and unity, in order to lay a solid foundation for the smooth completion of the Seventh 5-Year Plan. The regional CPC Committee will concentrate its efforts on the following six major issues:

1. It will strengthen macroeconomic control, straighten out various economic relationships, and enliven the urban economy. On the basis of enlivening enterprises, and in particular large and medium-sized enterprises, it will further streamline administration, delegate power to the lower levels, ascertain the scale of power expansion, and do a good job in a whole range of reforms. It will energetically develop crosswise economic relationships, pay close attention to weak links and prominent contradictions in economic life, and solve the shortage of funds. It will strengthen technical transformation, make technological progress, fully tap the potential of enterprises in production, and make efforts to improve the quality of products, reduce material consumption, and attain better economic results. It will not demand uniformity in fixing the growth rate of industrial production, and the growth rate of industrial production in the entire region will be fixed at about 10 percent, allowing enterprises with better conditions and economic results to develop a little faster.

2. The regional CPC Committee will conscientiously implement the strategic principle of agriculture being the foundation of the national economy, further carry out rural policies, profoundly carry out the second step of rural reform, and continue to readjust the production structure in order to promote the overall development of the rural economy. As grain production is a major matter having an important bearing on the national economy and the people's livelihood, we must not take it lightly but must make a good job of it. The regional CPC Committee will rely on policies and science in increasing investment, improving the conditions for agricultural production, and promoting grain production, so that the region's grain output can be steadily fixed at 3 billion jin. It will perfect the grain contract purchase system and complete the assignment of purchase tasks to every household before spring plowing. It will energetically develop a diversified economy, which includes industrial crops, forestry, animal husbandry, fishery, industry, commerce, transportation, and service trades. In particular, there should be breakthroughs in animal husbandry in the mountainous areas and in fishery in the areas along rivers. In speeding up the development of township enterprises, it will persist in the principle of giving "active support, rational planning, correct guidance, and good management." It will organize service work before and after production, broaden the channels for commodity circulation, and help the peasants open up all avenues for becoming better off through labor. It will strengthen its "help-the-poor" work and construction in "backward villages" so as to change the backward features of poor areas as soon as possible.

3. The regional CPC Committee will carry out scientific, technological, and educational system reforms well. Last year, we put forward suggestions on how to carry out scientific, technological, and educational system reforms. This year, we will attach great importance to carrying out these reforms. Reforming the fund allocation system and opening the technology market are two key links in scientific and technological system reform, and efforts should be made for further progress. It is necessary to form the fine habit of "respecting knowledge and talented people" and to mobilize the entire society to pay attention to and support the development of the educational cause.

4. The regional CPC Committee will further carry out the policy of opening up to the world. On the basis of conscientiously summing up experience it will work out more effective measures for opening up to the world, strengthen the introduction of advanced foreign technology and cooperation with other provinces, expand economic and technological cooperation with foreign countries, and consolidate and develop friendly relations between the region and Islamic countries. It will formulate special policies for the production, purchase, prices, and taxation of export commodities, in order to protect the initiative of producers and increase foreign exchange earnings.

5. In accordance with the CPC Central Committee's proposals on drawing up the Seventh 5-Year Plan, the regional CPC Committee will encourage the masses to take part in formulating a Seventh 5-Year Plan which is suited to the region's specific conditions. It will hold firm to the policy of economic stability, exercise strict control over the expansion of supply and demand, and continue to control the scale of investment in fixed assets. The region will concentrate its limited financial and material resources on the construction of key projects. It will make unremitting efforts to carry out family planning work well and strictly control population growth.

6. The regional CPC Committee will strengthen ideological and political work and bring about a turn for the better in party style and the general mood of society. It will study and sum up laws and methods for ideological and political work in the new period. It will continue to carry out party rectification well, strengthen cadres' theoretical study, and improve the political quality of party members and cadres. It will rectify the work style of regional party and government organs. Party and government organs at various levels should also rectify unhealthy tendencies for the sake of serving the people heart and soul. Emphatic commendation will be given to advanced collectives and exemplary individuals in the "two civilizations" drive. It will carry on the struggle of cracking down on serious crimes and serious economic criminal activities, check and handle major cases, and strengthen public security work.

Comrade Li Xuezhi said that much arduous work awaits to be done in 1986. We hope that party organizations and people's governments at various levels, democratic parties, people's organizations, party members, cadres, and the people of various nationalities will unite as one, carry forward the spirit of the old man who removed the mountain, work hard, and make new contributions to realizing the great target of enabling "Ningxia to take off."

#### SHAANXI CONFERENCE OF PARTY DELEGATES CONCLUDES

HK220222 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 21 Jan 86

[Excerpts] The 5-day Shaanxi provincial conference of party delegates victoriously concluded on 21 January after completing its agenda. Bai Jinian, Li Qingwei, Zhou Yaguang, Zhang Ze, Yan Kelun, Lu Jianren, Chang Lifu, Mou Lingsheng, Liang Qi, Hu Qingyun, Tao Zhong, and (Li Senhui) attended the closing ceremony, which was presided over by Comrade Li Qingwei. On the basis of full discussion and debate, the conference democratically elected additional members of the provincial CPC Committee and the provincial Advisory and Discipline Inspection Commissions.

The conference also discussed and approved the draft outline for the province's Seventh 5-Year Plan of national economic and social development, and a decision on a number of questions in strengthening ideological and political work. The draft outline for the Seventh 5-Year Plan will be submitted to the provincial People's Congress for examination and approval.

At the concluding ceremony, Comrade Zhou Yaguang delivered a speech entitled "The Whole Party Must Work To Ensure Implementation Down to the Grass Roots." He said: This was a very successful conference which has adopted very good documents. But the work after the conference is even more important. The key lies in implementing its intentions. The question of implementation is an old one, not one that is just raised today. However, not enough importance has been given it in recent years. Many good documents and ideas have failed to produce the proper results because we have not done a good job in implementation. A lot of work goes no further than being discussed at conferences, written about in documents, and spoken of; it is not implemented down to the grass roots. This is a big defect in our work style. It is imperative to cure this in order to do a good job in our work.

In recent years our cadres have spent little time going down and have kept a distance from the grass roots. In some leading organs there are many people with nothing to do, and their work style is seriously bureaucratic. Such a work style is the main cause of generalized work methods and failure to implement tasks.

In having the whole party work to ensure implementation down to the grass roots, the cadres must first go down. In the future, the province and the prefectures, cities, counties, and districts must form a system for transferring cadres to work in the grass roots. The number of cadres remaining in the organs to handle routine work must be reduced to the minimum, so that more cadres can go down to the grass roots.

Zhou Yaguang said: We must advocate doing practical work and gaining practical results. In the past, it appeared that many of our tasks were conveyed downward from level to level, but what was actually happening was that production targets and documents were circulated around each level, and many localities acutally turned into mere transmission stations and post offices.

Following the conclusion of this conference, all areas and departments and units must, on the basis of conveying the spirit of the conference, first get a good grasp of two things: 1) Seriously organize education in the situation and in policies, so that the cadres and masses will clearly understand the current excellent situation and have a clear picture of the goals and principles and policies for the seventh 5-Year Plan. 2) Get a good grasp of rectifying the work style of the leadership organs at the provincial, prefectoral, city, county, and district levels. In accordance with the intentions of the central and provincial CPC committees on solving a number of current serious problems in organ work style, we must seriously investigate and deal with major cases and resolutely correct unhealthy trades.

On the morning of 21 January, the conference democratically elected 17 additional members and 4 alternate members of the provincial CPC Committee, 17 members of the provincial Advisory Commission, including Li Xipu, and 11 members of the provincial Discipline Inspection Commission. As a result of the election, 15 persons will no longer serve as members or alternate members of the provincial CPC Committee, 3 will no longer serve as members of the provincial Advisory Commission, and 9 will no longer serve as members of the provincial Discipline Inspection Commission.

SHAANXI LEADER ON INDUSTRIAL PROBLEMS, TASKS

HK250347 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 24 Jan 86

[Excerpts] Vice Governor Zeng Shenda made a speech at a mobilization meeting on industry and communications convened on 24 January by the provincial government. He demanded that leaders at all levels get rid of blind optimism and slackness and do everything possible to boost production in the first quarter of this year.

Zeng Shenda said: The province achieved sustained, steady, and coordinated development in industry and communications in 1985. However, we must keep cool heads amid the excellent situation. In particular, we must realize our shortcomings. Abnormalities have emerged in the province's industrial production since the fourth quarter of last year. The problem of an excessive drop in production occurred in the light and textile industries just as the busy season in the markets started. The rate of decline in the petrochemical and pharmaceutical industries in the fourth quarter was also rather high. This state of affairs has already had a negative impact on industry and communications in the first quarter of this year.

Comrade Zeng Shenda pointed out that the main reason for the emergence of these problems is that certain leading comrades have become blindly optimistic, complacent, and slack amid the excellent situation, holding that as work was done quite well last year, they should pause to catch their breath this year. Some leaders cannot distinguish between excessive and normal speeds. When arranging plans, they set excessively high demands on the spot but deliberately hold something back when reporting these plans to higher authorities. Some other leaders see many difficulties but few favorable conditions for this year's production.

Comrade Zeng Shenda therefore stressed that it is essential to take immediate forceful measures to transform this abnormal situation as quickly as possible. To ensure a normal growth rate in production in the first quarter, and make a good start to the Seventh 5-Year Plan, Comrade Zeng Shenda put forward the following demands on behalf of the provincial government:

1. Leaders at all levels must seriously eliminate blind optimism, fear of difficulties, slackness, and so on, brace their spirits, and strive for a 10 percent increase in industry and communications production in the first quarter.
2. All prefectures, cities, departments, and enterprises must make proper arrangements for production around Spring Festival.
3. We must get an early grasp of key technological transformation projects, so that they can start work and produce results early.
4. Pay attention to ideological and political work during the wage reform.

TAIWAN'S DIPLOMATIC ISOLATION INCREASING

OW290327 Beijing in Mandarin to Taiwan 1500 GMT 24 Jan 86

[Station commentator's commentary: "Share Honors of the Chinese Nation"]

[Text] The year just ended witnessed new and momentous developments in China's socialist modernization drive, and rich achievement in China's independent and peaceful foreign policy. During that year, our leaders paid friendly visits to over 40 countries in different regions of the world and also welcomed visiting leaders from over 40 countries. China has signed economic, scientific, technical, and cultural cooperation agreements with many countries, and our friendly relations of cooperation with many other countries have been further developed. Last year, Bolivia, Grenada, and Nicaragua established diplomatic relations with China. Currently, a total of 134 countries have established diplomatic relations. We are making more and more friends. Our international status and prestige have been further enhanced. It is a well-known fact that, as an important force in maintaining peace and promoting development in the world today, China is held in high esteem by the international community.

By contrast, the Taiwan authorities are more and more isolated in the international community. In analyzing Taiwan's diplomatic dilemma, Taiwan's HSIBAO ZAZHI [SHIH PAO CHA CHIH] says, with great anxiety: An obvious tendency indicates that the Republic of China is diminishing as an entity, a member of the international community. It is being reduced to a geographical name, similar to Hong Kong. Taiwan's ZHONGGUO SHIBAO [CHUNG KUO SHIH PAO] has said, pointedly: We engage in, and talk very loudly about, substantive diplomacy, because we have no alternative and have to be content with second best. Formal diplomatic relations are, after all, commendable. It is not permissible to suffer any loss by neglect. Another Taiwan magazine article deplores Taiwan's position in the international community, becoming worse each year.

Only 23 countries now maintain diplomatic relations with Taiwan. Of these, 13 are in Latin America. So Latin America is a focal point for Taiwan's diplomatic work. Taiwan's newspapers and magazines have complained that the Taiwan authorities' Ministry of Foreign Affairs is so incompetent that it has become a ministry of severance of diplomatic relations. To be fair, this is a matter of physical impossibility, rather than of the ministry's competence. The Taiwan authorities have spared no effort to work on Latin American countries, providing them with low-interest or interest-free loans, or aiding them with agricultural or medical teams. In the past year, the Taiwan authorities sent vice president, defense minister, and vice foreign minister to visit Latin America. Yet, what of the outcome? Well, everybody knows it.

The Government of the People's Republic of China is the sole legitimate government of China. Taiwan is an inalienable part of Chinese territory. This is recognized by the international community. China's diplomatic work will no doubt further develop and make greater achievements each year, establishing diplomatic relations with still more countries and exerting still greater international influence. At the same time, the limited number of countries with diplomatic relations with the Taiwan authorities will irreversibly decrease, one by one. The Taiwan authorities will become still more isolated, and find themselves in a still more severe predicament.

In is the common desire of all Chinese, at home and abroad, that their motherland be peacefully reunified. The method of one country, two systems has solved the Hong Kong problem. It is totally applicable to Taiwan. This concept has been endorsed by an increasing number of far-sighted people, including Taiwan compatriots.

People want the Taiwan authorities to change their frigid, three negatives policy, enter into contact and negotiate with the Chinese Communist Party, so that the motherland can be reunified at an early date, and the Taiwan authorities can join hands in building the motherland and sharing the honor of the Chinese nation as a member of the international community.

REPORT ON HIGHER CRIME RATES IN TAIWAN CITED

HK280737 Beijing ZHONGGUO XINWEN SHE in Chinese 1318 GMT 24 Jan 86

["Crimes of Violence Seriously Threaten Taiwan's Social Order" -- ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 24 Jan (ZHONGGUO XINWEN SHE) -- According to a report from Taiwan, Lo Chang, commissioner of the Taiwan police department, recently pointed out: Crimes of violence and theft in the Taiwan region will continue to rise in the future and the form of criminal offences will develop into organized and well-planned crimes. If they are not effectively curbed, public order will deteriorate. In a report to the "members of the National Assembly" visiting the criminal police bureau on 21 January, Lo Chang said: From 1975 to 1984, crimes of violence in Taiwan rose by 54.57 percent, and thefts by 27.23 percent. The form of criminal offences also developed from those committed by unarmed individuals to crimes carried out by groups of people using firearms, and from casual to premeditated crimes.

In 1985 the public order units in Taiwan set up "special groups for the thorough examination of cases" and cracked down on undesirable triad members, but major criminal cases still frequently occurred. At the end of last year, a number of serious cases, involving the killing of policemen, seizure of firearms, and armed robbery of vehicles delivering money to banks, occurred repeatedly. According to statistics, in 1985 the Taiwan police authorities handled 4,250 major criminal cases, accounting for 6.27 percent of the total number of criminal cases. Of these, 2,713 cases were cracked, accounting for 65.01 percent of the cases handled. Compared with 1984, the number of premeditated murders, kidnappings, and serious thefts fell, while that of robberies, hold-ups, and rapes rose.

ZHONGGUO XINWEN SHE ON UNEMPLOYMENT IN TAIWAN

HK280313 Beijing ZHONGGUO XINWEN SHE in Chinese 1343 GMT 24 Jan 86

[Report: "More Job Applicants in Taiwan Last Year Than Jobs Available" -- ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 24 Jan (ZHONGGUO XINWEN SHE) -- Taiwan newspapers today reported that the number of applicants for jobs had beaten the record in Taiwan last year, while the number of vacancies had dropped drastically. Such a situation had seldom been seen in the past decade.

Statistics provided by the Career Training Bureau under the Taiwan "Ministry of the Interior" reveal that the number of applicants for jobs was recorded at 279,000 or more during the period from January to December last year, an increase of 15.62 percent over the previous year. During the same period, the registered number of vacancies provided by local manufacturing firms amounted to only 70 percent of that in the previous year, the lowest figure for the past decade. The Career Training Bureau also pointed out: The principal contributing factor in this situation was the economic depression. The decline in the demand of the sectors concerned for manpower led to a very serious case of supply far exceeding demand. According to another report, the unemployment rate was estimated at 2.9 percent in Taiwan last year, the highest figure for the past 20 years.

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PREPARATORY WORK UNDER WAY ON SANXIA PROVINCE

HK280919 Hong Kong TA KUNG PAO in Chinese 28 Jan 86 p 1

[**"Special Feature"** by Tung Chou: "Interview With the Responsible Person of the Preparatory Group for Sanxia Province"]

[Text] Beijing, 27 Jan (TA KUNG PAO) -- I was told earlier that China was preparing to set up its 30th province -- Sanxia Province. This time in Beijing, I got a chance to verify this hearsay.

I happened to be staying in the same hotel in Beijing as some representatives who were attending a certain national conference. Once when I glanced over the namelist of the representatives, I suddenly discovered that after the 29 provinces, municipalities, and autonomous regions, there was also a list of representatives from the preparatory group for Sanxia Province. Upon inquiry, I learned that beginning this year, the name of this province has begun to be used independently in the state plans.

Several days later I met Xin Wen [6580 2429], deputy head of the preparatory group for Sanxia Province, and he gladly answered some questions I raised. Xin Wen said: The Sanxia project will start very soon. Hence the establishment of Sanxia Province. The most difficult problem for the Sanxia project is the placement of new residents. Whether implementing the high-dam plan or the low-dam plan, it will be necessary to move several hundred thousand people. These migrants are distributed in Sichuan and Hubei Provinces. In order to make a good placement of the migrants, we will need to set up an organization to tackle the matter under unified planning. At first, the state considered forming a Sanxia special zone or a Sanxia administrative region, but finally it decided to set up Sanxia Province.

As everyone knows, the problem of migration is one of the most troublesome problems for any government in building reservoirs. To solve this problem by setting up a new province shows the resolution of the CPC in building the Sanxia project. After the project is completed, not only will the problem of the flood threat to the middle and lower reaches of the Chang Jiang be fundamentally solved, but also, some 110 billion kWh of electricity can be produced every year.

The future vice governor told me that nearly 10,000 scientific workers have carried out investigations and studies for this project over the past 30-plus years. After building the Danjiangkou reservoir at the Han Jiang, a tributary of the Chang Jiang, and building the Gezhouba reservoir on the mainstream of the Chang Jiang, the Chinese construction team is already capable of completing this magnificent project, including building dams and installing generators. Of course, there are also different opinions on the Sanxia project. That is why this plan is still under discussion. Nevertheless, the preparatory work for setting up Sanxia Province brooks no delay.

Yichang City Will Be the Provincial Capital

Xin Wen said: "Sanxia Province will be situated at the upper and middle reaches of the Chang Jiang and between Daba Shan and Wuling Shan. With an area of 84,000 square kilometers, it will be the smallest province in the interior of China, but its population will be about 18 million and it will have 30 counties. Yichang will be the provincial capital." I was in Yichang once. Since the Gezhouba was built there, it is also called the "city of hydroelectricity." Sandouping, the place selected for building the Sanxia dam is not far from here.

Xin Wan also told me that the preparatory work for Sanxia Province is being carried out smoothly. A plan has been worked out for setting up provincial organs and appointing their work personnel.

The work of organizing provincial departments and bureaus has already begun, and efforts have been made to work out the strategy for provincial economic development. The superiority of this province is its rich natural resources. Apart from waterpower resources, there are also iron, phosphorus, coal, natural gas, and so forth. The tourist resources in this province are also exceptional advantages endowed by nature. The wonderful sight of Sanxia is world famous. During the period of the Seventh 5-Year Plan, a number of key projects, including a cement factory, an iron alloy factory, and a synthetic ammonia factory, will be completed in this province. A large airport near Yichang is also planned.

Referring to the placement of the migrants, Xin Wen said that, in the past, a method of compensation was adopted for migrants, but it often happened that some 20 or 30 years after construction was completed, compensation had still not been finished and became a bottomless pit to fill. This time we plan to make the migration serve the exploitation; that is, to use the state compensation fees as investment and organize the migrants to exploit the natural resources and establish new projects and tertiary industry, so as to blaze a new trail for better economic results.

#### SHENZHEN TO CUT SPENDING BY 21 PERCENT IN 1986

HK280419 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English  
28 Jan 86 p 1

[By Paul Sham]

[Excerpts] Investment on infrastructure development in the Shenzhen Special Economic Zone will be cut by about 21 percent this year, to 1.9 billion yuan (HK\$4.65 billion) from 2.4 billion yuan last year, a source close to the Shenzhen Government said yesterday. The plan to cut spending which was finalised recently after eight months of study, is in response to Beijing's instructions to cool the overheated economy. The source told BUSINESS NEWS in order to maintain Shenzhen's development on the right track, infrastructure investment will concentrate on the industrial sector. The study, done by the Shenzhen Government, indicated excessive investment had gone into the construction of hotels, commercial complexes and residential buildings over the past few years at the expense of the industrial sector. The call to reduce the scale of infrastructure development was made by Beijing in April, the source said.

He said last year's construction boom in Shenzhen had revealed that foreign and domestic investors from other provinces had miscalculated the market situation, and the Shenzhen Government's management of the zone lacked direction. In light of the oversupply of hotel rooms and residential units in the city, the source said the Shenzhen Government is not likely to approve new construction projects in the near future. He said the restrictions will be eased only when the market situation has improved. He said construction projects for which agreements have been signed but work has not started will be cancelled, while work will slow down on current projects. The focus this year will be on building such facilities as factories, roads, telecommunications, railway and port development. The source said the Shenzhen Government is still drawing up the priority list of industries and it is not known which industries will be singled out for faster development.

Meanwhile, Shenzhen's first construction magazine, ARCHITECTURE REVIEW, was published recently. The magazine will be published on an irregular basis by the Shenzhen University for domestic and overseas circulation. Speaking at a banquet yesterday to mark the publication, the magazine's chief editor, Zhang Liangjun, told reporters it will serve as a bridge between construction and architecture circles in China and overseas.

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